Austria	Sch 18	Indonesia	Rp 2600	Portugal	Esc 80
Bahrain	Din 0.650	Italy	L 1300	S. Arabia	Rls 6.00
Belgium	BFr 38	Japan	Y550	Singapore	S$ 4.10
Canada	C$2.00	Jordan	Fils 500	Spain	Pta 110
Cyprus	C£0.80	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	Dkr 7.25	Lebanon	L£ 6.00	Sweden	Skr 6.50
Egypt	E£1.00	Luxembourg	LFr 38	Switzerland	SFr 2.20
Finland	Fmk 6.00	Malaysia	Rs 4.25	Taiwan	NT 395
France	FFr 6.00	Mexico	Pes 300	Tunisia	Din 0.600
Germany	DM 2.20	Morocco	Dh 6.00	Turkey	L210
Greece	Dr 70	Netherlands	Fl 2.60	U.A.E.	Dh 6.50
Hong Kong	HK$12	Norway	NKr 6.00	U.S.A.	$1.50
India	Rup 15	Philippines	Pes 20		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Nicaragua's revolution becomes a fight for survival, Page 4

NEWS SUMMARY

GENERAL

Senate studies spending freeze

Republican leaders in the U.S. Senate are prepared to consider an across-the-board freeze of all government spending programmes, including defence, except those for the poor.

The plan is designed to reduce the federal budget deficit considerably more sharply than currently envisaged by the Reagan Administration.

Senate aides claim that the Senate leaders' plan would balance the U.S. budget by 1990 if fully implemented. Page 4

Ethiopia aid

Ethiopia accepted an offer of Israeli food and medicine for its famine victims despite controversy over the airlift of Ethiopian Jews to Israel, relief officials said in Tel Aviv.

Cabinet resigns

The Bolivian Cabinet resigned to allow President Zuazo to settle disputes in the ruling coalition and form a new team.

Vietnamese pull-out

Vietnamese troops occupying a key Kampuchean guerrilla base crossed into Thailand but retreated after a meeting with Thai officers, the Thai military said.

Lambsdorff charged

Former West German Economics Minister Otto Lambsdorff was formally charged with tax evasion in the Flick political bribery affair.

Ferry dispute ends

A dispute ended between French seamen and the cross-Channel ferry company Sealink. Page 2

Israeli attack

Israeli aircraft attacked a Palestinian guerrilla base in the Syrian-controlled Bekaa Valley of eastern Lebanon. Page 3

Ecuador clash

One student was killed and more than 300 arrested in Quito, Ecuador, in clashes with police on the eve of a two-day general strike.

Gunship supplied

The U.S. has supplied El Salvador's airforce with a gunship capable of firing 2,000 machinegun rounds a minute.

Rebel deported

Nicaraguan rebel leader Steadman Fagoth is to be deported to the U.S. for violating Honduran neutrality laws. Sandinista toll, Page 4

Middle East tour

West German President Richard von Weizsaecker will make state visits to Jordan and Egypt next month.

Lawsuit fails

Film director Franco Zeffirelli lost a L3bn ($1.5m) claim against a Milan television station which he said ruined the screening of his "Romeo and Juliet" by interrupting it 18 times with advertisements.

Cockroach protest

Belgian Justice Minister Jean Gol was sent 300 dead cockroaches by a group protesting against conditions in two Brussels prisons, an organiser of the "Committee against Cockroaches" said.

Nun 'bit policeman'

A Montreal policeman said he was bitten by a nun belonging to the Apostles of Infinite Love sect when he tried to arrest her for soliciting donations without a permit.

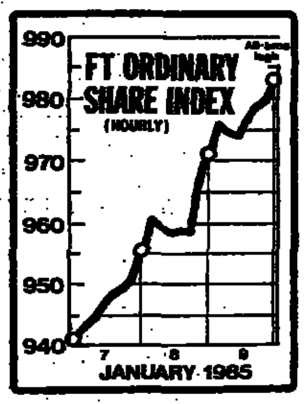
BUSINESS

European bourses continue advance

RECORD HIGHS were again recorded by leading European bourses as London surged ahead on institutional buying taking the FT Ordinary index 11.9 up to 983.1, its third straight peak. Gilts scored more sharp rises.

Foreign buying buoyed Frankfurt with a 3.9 point rise in the Commerzbank index to a record 1,141. Early profit-taking developed in Paris trading but it still hit a peak as local interest rates eased. Zurich and Milan reached 12-month highs.

The all-time high in Tokyo – the Nikkei Dow average rose 83.78 to 11,763.57 – was attributed to the resumed Geneva arms talks which may lead to lower U.S. military spending and a drop in U.S. interest rates. Markets, Section III.



WALL STREET: The Dow Jones industrial average closed up 11.04 at 1,202.74. Section III

DOLLAR was firm in London, rising to DM 3.162 (DM 3.154), SwFr 2.6515 (SwFr 2.6355), FFr 9.685 (FFr 9.6625) and Y255.05 (Y253.70). On Bank of England figures the dollar's trade-weighted index rose to 145.9 from 145.7. Page 41

STERLING weakened in London, falling 60 points against the dollar to $1.142. It was also lower at DM 3.6075 (DM 3.62), SwFr 3.02 (SwFr 3.025), FFr 11.03 (FFr 11.15) and Y290.25 (Y291.25). The pound's exchange index fell to 72.3 from 72.7. Page 41

GOLD lost $1.70 on the London bullion market to finish at $300.55. It was also lower in Zurich at $298.00. Page 40

EEC formally approved a trade agreement that will limit Community tube and pipe exports to 7.6 per cent of the U.S. market this year and in 1986.

BRAZILIAN team will discuss with EEC in Brussels next week a voluntary steel exports restraint agreement. Page 4

INDONESIA, one of Asia's largest foreign borrowers, will borrow on the commercial market in 1985 only on a small scale and in order to keep a presence there. Page 18

WEST GERMAN Cartel Office will investigate the size of Philips's stake in the West German television maker Löwe Opta at the time of Philips's takeover of Grundig last year, an office spokesman said.

BAYERISCHE VEREINSBANK said it had acquired a 5 per cent stake in Messerschmidt-Bölkow-Blohm (MBB), the West German aerospace and defence technology company.

ZIM, Israel's largest shipping group, with debts of $510m is likely to appeal for state help. Page 18

DIAMOND SHAMROCK chairman Mr William Bricker said directors unanimously rejected a proposed $3bn merger with Occidental Petroleum because the final terms were unsatisfactory to shareholders. Page 19

EUROSPACE consortium has proposed a $23.5bn industrial space development programme to European governments. Page 4

U.S. briefs allies on agreement to reopen talks with Moscow

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON, AND ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN BRUSSELS

THE U.S. yesterday moved to inform its allies about Tuesday's agreement with the Soviet Union on reopening arms control negotiations to curb the nuclear and space-based weapons of the two superpowers.

In what was being seen as an important effort to maintain political unity in the Western alliance on the arms control issue, Mr Robert McFarlane, President Reagan's National Security Adviser, met Mrs Margaret Thatcher, Britain's Prime Minister, in London, while other U.S. officials gave briefings at Nato headquarters in Brussels and the West German Government in Bonn.

Over the next few days senior U.S. officials will meet political leaders in France, Italy, Belgium and the Netherlands. Other emissaries will go to Japan, Australia, New Zealand, Israel and Egypt.

After all their consultations yesterday, U.S. spokesmen emphasised that the agreement reached with the Soviet Union on Tuesday after 14 hours of talks between Mr George Shultz, U.S. Secretary of State, and his Soviet counterpart, Mr Andrei Gromyko, was only a first step.

Mr McFarlane told a press conference in London that there should be no illusions. The negotiations were bound to be long and difficult, although the U.S. hoped that they would ultimately lead to radical reductions in the world's nuclear arsenals.

Mrs Thatcher, after a meeting that Mr McFarlane described as a "rich and fruitful exchange," stressed the British Government's concern with working out agreements aimed at preventing an arms race in space as well as reducing nuclear weapons on Earth.

In Brussels, where a team led by Mr Paul Nitze, President, Reagan's arms control adviser, met the Nato Council, the agreement was welcomed, although caution was also evident.

Diplomats said that Nato governments welcomed the speed and thoroughness of the U.S. consultations. European governments were anxious that the Soviet Union should not try to drive a wedge between the U.S. and its European allies as it attempted to do during the initial deployment of the U.S. cruise and Pershing missiles last year.

A statement issued by Mr Richard Burt, U.S. Assistant Secretary of State for European Affairs, at the end of the briefings in Brussels, said that Nato members had particularly noted that one of the negotiating objectives would be radical reductions in intermediate-range nuclear forces.

Concrete results would do away with the need for the deployment in Europe of cruise and Pershing missiles. It was noted that since December the Soviet Union had added to its force of SS-20 launchers to take the total to 396. More bases for the intermediate-range weapons were also being constructed.

It seems evident from yesterday's meetings, however, that several procedural matters, as well as the more profound problems of the substance of the forthcoming negotiations remained unresolved.

The Geneva agreement provides for the USSR and the U.S. each to appoint a single delegation to the talks, which would be divided into three "working groups." They would cover long-range or strategic nuclear weapons, medium-range missiles such as the Soviet SS-20s and the U.S. cruise and Pershing missiles, and space weapons.

The date and venue for the negotiations will only be decided after more consultations during the next month. Mr McFarlane said yesterday that it had still not been decided whether the U.S. delegation would be led by a single negotiator able to trade-off concessions between the three working groups.

Mr McFarlane said yesterday that the work of the three groups would inevitably be linked. Progress in one might well lead to progress in another. In Brussels, however, Mr Burt implied that the U.S. had not sought such a linkage, which the Soviet Union could exploit if it wished to be obstructive.

Mr McFarlane said that the U.S. had used the last year since arms control talks broke down to review its position on strategic weapons in particular, and was ready with new proposals.

He was less clear on whether new ideas were available on the Euromissiles, although he emphasised that there was no question of the British or French nuclear forces being covered in the talks.

On the issue of space weapons, Mr McFarlane repeated the Administration's view that because President Reagan's Strategic Defence Initiative (SDI) – the so-called "star wars" programme – was still only at the research stage, it could not be the subject of negotiations.

Peter Riddell, Political Editor, adds: The position of Britain's Polaris and future Trident nuclear missile systems was raised during yesterday's talks between Mrs Thatcher and Mr McFarlane. UK policy is that its strategic deterrent should stay outside the negotiations unless and until there has been a fundamental change in the U.S. and Soviet nuclear balance.

The UK Government's attitude on Polaris and Trident was yesterday described as "extremely foolish" by Mr Denis Healey, the Shadow Foreign Secretary. He said that the last Labour Government had planned not only to put Polaris into the Salt 3 talks but also to ask for separate direct representations in the discussions.

Background, Page 2; Editorial comment, Page 16

Government pressure leads to ½-point cut in French base rates

BY DAVID HOUSEGO IN PARIS

FRENCH BANKS, led by Crédit Lyonnais, yesterday cut their base lending rates by ½ point to 11½ per cent.

It is the first reduction in the cost of bank credit since August and only the second time in two years that the banks have cut interest rates.

The move had been strongly pressed on them by M Pierre Bérégovoy, the Economy Minister, to stimulate investment and the level of economic activity. The Finance Ministry calculates that the ½-point cut in the base rate – after a ¼-point reduction in August – will save companies FFr 4bn ($414m) in financial charges.

The Government itself has been under strong pressure from the Socialist Party to provide some boost to economic activity to reduce unemployment. It feels that it can now go a little further on this front through a downward pressure on interest rates, because both the 1984 inflation rate and the French current account deficit for the year are likely to be better than was expected in July.

Figures are expected to show that retail prices rose by 0.2 to 0.3 per cent in December. France is therefore likely to have registered a 6.7 to 6.8 per cent inflation rate for 1984, despite the continuing rise of the dollar against the franc. It had been feared that the inflation rate would be over 7 per cent.

The current account deficit for 1984 is expected to be under FFr 5bn after FFr 33.7bn in 1983. That reflects the sharp improvement in the trade deficit over the last six months.

For M Bérégovoy, a reduction in bank lending rates is a more effective way of stimulating industrial investment than action through the budget as pressed on him by many in the Socialist Party.

After a 9 per cent increase in volume terms in industrial investment last year, the level of investment had appeared to be flattening out this year with forecasts by Insee, the official statistics institute, of only a 3 per cent increase in real terms.

M Bérégovoy yesterday called the reduction in rates as "the surest way to reactivate the economy to increase the competitivity of our industries" and eventually to reduce unemployment.

The banks have none the less been holding out against a lowering of rates on the grounds that the cost of funds to them through interest paid on deposits or through money market rates had not come down sufficiently.

The Bank of France, however, has been progressively bringing down its intervention rate – the rate at which it purchases government and first-class commercial paper from the banking system and which sets the level of other rates.

The intervention rate has fallen from 12 per cent in May last year to 10.5 per cent. The last fall of ¼ point came last Thursday. The banks, however, are seeking a further ¼ point cut.

French machine tool makers are starting 1985 on a slightly brighter note, benefiting from a recovery in orders after several years of downturn. Two state-supported groups are pushing through large workforce cuts designed to increase efficiency and eventually restore profits. Page 21

UK plans £2bn temporary aid to ease liquidity

BY PHILIP STEPHENS IN LONDON

THE BANK of England yesterday announced plans for a temporary cash injection of up to £2bn ($2.3bn) into the UK banking system later this month to ease expected liquidity shortages in the London money markets.

The central bank's announcement coincided with another gloomy day for sterling on foreign exchange markets and continuing uncertainty over the outlook for British interest rates.

On the London Stock Exchange, however, shares continued their record-breaking run, with the FT Industrial Ordinary index rising by 11.9 points to a high of 983.1.

The index has now shown a 54-point gain since Friday, with heavy institutional buying pushing it towards the 1,000 level.

The facility, the largest ever provided by the Bank, reflects the authorities' anxiety that seasonal corporate tax payments and accelerated value-added tax on imports would combine to produce acute money market shortages in coming weeks.

The Bank traditionally removes the shortages by buying commercial bills on a day-to-day basis, but its operations – regularly totalling over £500m a day – were threatening to become unmanageable.

The Bank's existing bill holdings, commonly referred to as the "bill mountain," are estimated by broker W. Greenwell to total around £12¼bn, or about three quarters of the total number in existence.

Further heavy purchases later this month would have encouraged bill arbitrage, the process which allows companies to borrow money relatively cheaply and to lend it back at a profit in the interbank market. That in turn inflates the money supply.

Similar, although smaller, facilities have been provided at about the same time in previous years, but yesterday's announcement was none the less seen as evidence that the Bank remains concerned to discourage a general rise in borrowing costs.

The arrangement works by allowing banks and licensed deposit-takers to draw cash from the central bank against the security of government securities and promissory notes between January 15 and February 14.

On the London money markets yesterday interest rates eased slightly, helped by news of the arrangement and by signs that U.S. rates might fall. Britain's leading banks, however, are still not entirely confident that a rise in base rates can be avoided if sterling continues to decline.

Yesterday the sterling index showed a 0.4 point fall to end at a record closing low in London of 72.3.

UK stocks, Page 35; Money markets, Page 41

Demand 'to exceed Opec ceiling'

By Richard Johns in London

DEMAND FOR crude oil produced by the Organisation of the Petroleum Exporting Countries (Opec) in the first quarter of 1985 could be as much as 3.5m barrels a day (b/d) above its collective ceiling of 16m b/d, according to the International Energy Agency (IEA).

Preliminary estimates published yesterday were drawn up before Christmas and are likely to be revised downwards. Even so, they indicate that Opec has a chance of tightening up the market and maintaining a reasonably coherent price structure in the short term if members strictly adhere to the 16m b/d limit.

Leading oil companies – which provide figures for IEA monthly assessments – believe that the IEA has pitched the figure for overall demand too high. Actual consumption at the turn of the year was running at a lower level than had generally been expected, they say. At the end of November it had estimated a 1.1m b/d drawdown.

In the first three months of 1985 it could be about 2m b/d less than the 48.6m b/d projected by the IEA, according to one company estimate. Nevertheless, the industry still sees the possibility of a supply gap greater than can be comfortably accommodated by a further drawdown of

Continued on Page 18

Cold comfort for Opec, Page 16

Le Monde deadlock broken as Fontaine stands for election

BY DAVID HOUSEGO IN PARIS

THE DEADLOCK at Le Monde over the nomination of a new director and editor-in-chief has been broken with M André Fontaine, currently associate editor, announcing yesterday that he would be a candidate.

He is likely to win a majority vote of the editorial staff next week and be confirmed as editor by a general assembly of the newspaper on January 18. His taking over the newspaper would represent a compromise by journalists in face of Le Monde's deepening financial crisis.

It is, however, a sign of the continuing difficulties at the newspaper that news of his candidature coincided with the announcement that Le Monde would not appear today because of a strike by printers belonging to the Communist-led CGT union.

The printers are expressing their anger at the divisions among the journalists which, they claim, have left the newspaper without any real leadership since December – the day Mr Andre Laurens, the former editor, announced his resignation. They are also protesting at the withholding of bonus pay.

M Fontaine, aged 63, a distinguished specialist on East-West affairs, was the main candidate for the succession before he withdrew his name on December 20 in the face of opposition from some of the editorial staff. He also failed to get the manager of his choice to join his team.

The breakthrough comes in a week of considerable changes in the French press which reflect the growing competition for readers in a shifting market. One new daily newspaper has appeared, another formally announced that it would start publication on Monday and a weekly newspaper has collapsed.

The new daily to emerge is Ce Soir, which is flying the political colours of M Michel Jobert, a centrist leader who was Foreign Minister under President Valery Giscard d'Estaing and Minister of External Commerce under President François Mitterrand. It has been started on a small budget by the publisher of M Jobert's newsletter.

A more ambitious venture, that will arrive on the streets on Monday, is the Tribune de l'Economie – a French language international business daily largely modelled on the Financial Times and the Wall Street Journal. It will compete with Le Monde in its economic and international coverage as an evening paper. A press conference to launch it was held on Tuesday.

The casualty of the week has been the magazine Hebdo, an aggressively right-wing illustrated news magazine which was founded over a year ago in the hope of capitalising on the unpopularity of the Socialist administration. Short of a last minute miracle, it is to close.

As the new head of Le Monde, M Fontaine is expected to carry out many of the cost-cutting measures advocated by his predecessor, including cuts in salaries. He has left open the possibility that he will sell Le Monde's headquarters in the Rue des Italiens as a way of raising funds. M Laurens resigned after his proposal to sell the building had been rejected.

Le Monde has suffered a 15 per cent drop in sales in recent years to 360,000 copies a day, precipitating cumulative losses of about FFr 80m ($8.28m).

Leyla Ertugrul adds: France's first breakfast television programme was expected to go on air today after a strike by employees of Antenne 2, the second French national television channel, ended yesterday.

The show was due to start on Tuesday but was held up by union demands for additional jobs and bonuses for the extra programmes.

CONTENTS

EUROPEAN NEWS

Priest's accused killer attacks Polish Church

BY CHRISTOPHER BOBINSKI IN TORUN

A FORMER *Polish security* service captain, on trial for allegedly murdering Father Jerzy Popieluszko, the pro-Solidarity priest, yesterday launched a bitter attack on the Catholic Church in a statement *which implicity accused* the Communist party leadership of being too soft on the country's bishops and priests.

Earlier the crowded court room heard the presiding judge read a statement written by Mr *Grzegorz Piotrowski*, the former captain, the day after his arrest, in which he in effect accused General Czeslaw Kiszczak, the interior minister, of "an indecisive policy" towards the Church.

Mr Piotrowski, who its seems was responsible for keeping an eye on Poland's radical priests, painted a picture of a ministry full of frustrated functionaries "more and more aware that their efforts had little effect.

"Grown men cried when they heard that Fr *Popieluszko had* been released after his arrest in December 1983," Mr Piotrowski wrote in his statement.

General Kiszczak had once written in the margin of a proposal for action against the *priests*, "I'd like *to agree* but . . ." an admission, Mr Piotrowski suggested, of impotence at the top of his ministry.

Speaking on the eighth day of the trial of four security officers accused *of murdering and kidnapping the priest*, Mr Piotrowski presented himself as a defender of the Socialist establishment and Fr Popieluszko as a ruthless enemy.

Turning to the policemen *guarding him in the dock*, to the state prosecutors and to the judges, he said: "Had there been a taking of power by the Solidarity trade union, they had arranged a place for each one of you to go." The implication appeared to be that they would all have been rounded up and imprisoned.

Earlier, Mr Piotrowski had asked why action had not been taken against priests building churches without permission or, for example, against Archbishop Henry Gulbinowicz of Wroclaw, who allegedly had hidden Zl 80m (£500,000) of local Solidarity underground funds.

Why, he asked speaking from notes, was the Church being given tax concessions, when in one quarter alone it had received $470,000 from Western Church funds and had customs duties to the tune of Zl 30m waived on imports of "mostly luxury" items for the clergy in 1981.

Mr Piotrowski referred to an alleged affair the priest was having as well as alleged financial irregularities in underground Solidarity funds given to Fr Popieluszko for safekeeping.

Clash likely in Ireland over civil service pay

BY BRENDAN KEENAN IN DUBLIN

A CONFRONTATION between the Irish Government and civil service unions seems likely after the official public service arbitrator recommended a pay increase which would cost five times the figure set aside in the government estimates for 1985.

The arbitration award would give government employees, whose last pay agreement expired seven months ago, a 6 per cent rise in two phases this year. This would cost I£100m (£86m) compared with I£20m allocated by the Government.

Ministers have three months to consider the recommendation but are likely to dig in their heels and face the inevitable union fury over rejection of the official arbitrator's recommendation. Such a rejection would require parliamentary approval, with the risk of defections by Labour backbenchers in the ruling coalition.

The Government believes that public sector pay restraint is essential to maintain progress in reducing its annual I£1.9bn borrowing requirement.

The Industry Minister, Mr John Bruton, said this week that the public sector pay bill had almost trebled since 1977 to more than I£2bn last year. High pay increases for the few would be followed almost immediately by higher taxation and more unemployment.

The latest monthly unemployment figures showed a jump of half a percentage point to 17 per cent and analysts believe it would have been higher but for renewed emigration, mainly to Britain.

With inflation at around 7 per cent, the unions are in no mood to accept government restrictions. Staff at the central bank have been on strike for more *than a month in* a pay dispute, and bus workers in the national transport company are threatening strike action.

Spanish shipyards ready to sack 2,000 workers

BY TOM BURNS IN MADRID

AMID CONTINUED violence over the scaling down of the national ship building sector, the management of Spain's state-owned dockyards yesterday prepared to send dismissal notices to some 2,000 workers who have refused to accept redundancy plans.

In Gijon, on the Cantabrian coast, protesting shipworkers attacked a railway depot and set three coaches alight before firemen intervened. There were also reports of clashes with riot police in the city centre after workers set up barricades.

At another threatened yard, the Ascon docks in the Galician industrial centre of Vigo, protestors hijacked a ferry. A navy patrol vessel forced it to return.

Shipyard violence since last summer has dogged the Government's plans to cut the huge losses at the big state yards with a severe restructuring programme that critics claim is the most drastic in the European shipbuilding sector. The national shipbuilding workforce of 40,000 will eventually be reduced to some 23,000 jobs and two of the five main yards are to be closed.

Under an initial restructuring phase at the Astano works in El Ferrol, also on the Galician coast, 3,400 jobs or 60 per cent of the labour force are to be axed. Yesterday, the shipping division of the state holding company, Ini, which owns Astano, reported that some 1,700 men had accepted the redundancy scheme.

This guarantees 90 per cent of a worker's full salary for three years and first option for new jobs created in the area.

Death toll reaches 100 in cold spell

PARIS – The death toll related to Western Europe's worst cold snap in years exceeded 100 yesterday, and authorities reported chaos in ground and air transport.

Heavy snow and rainfalls over the past week have paralysed rail, road and canal traffic throughout Europe and disrupted air transport with airports shutting down as far south as Rome.

France again bore the brunt of the harsh freeze with the death toll reaching 29, mostly vagrants or elderly, and another 24 deaths attributed indirectly to the weather.

Officials said as many as 24 old people died near Beauvais, north of Paris, when the intense cold caused a water pipe to burst, triggering a short circuit and fire in their hostel.

An unprecedented 15 inches of snow fell on Nice, with the Promenade des Anglais and its palm trees laden with snow.

Fruit and vegetable producers in southern France asked for emergency government aid. Half of the olive crop has been destroyed and flower growers say mimosa and carnation crops stricken severely.

In the southern marshlands of the Carmargue, at the mouth of the Rhone, an operation was mounted to rescue endangered flamingoes. Some 200 birds have already frozen to death.

The state electricity board EdF said production reached a record 58,700 megawatts on Tuesday night, compared with a maximum 48,000 megawatts last winter, as outdated coal-powered and fuel oil stations were restarted to meet unprecedented demand.

In Spain, 26 cold related deaths have been reported. Some were vagrants who froze to death in the streets and 16 were caused by accidents attributed to the snow and cold.

The national news agency, EFE, said damage to Spain's Mediterranean fruit and vegetable crops could reach Pta 10bn ($57m).

Half of the Catalan port city of Barcelona was left without power for seven hours yesterday after a generating plant's frozen pipes burst. Electricity demand rose by 50 per cent on Tuesday.

Temperatures in the worst areas of northeast Spain plummeted to -19C and snow covered the western part of the Mediterranean island of Minorca for the first time since 1956.

An unofficial tally of weather-related deaths around Western Europe in the past week reached 103, including the hostel fire in France.

***Switzerland*, where an unemployed man froze to death in an abandoned stable, reported the lowest temperature. The village of La Brevine, dubbed "Swiss Siberia," recorded -41.2C.**

In Namur, south-east Belgium, the Meuse river froze for the first time since 1962. Traffic around the country was disrupted severely with only one-tenth the normal rail services and many three-lane highways reduced to a single lane.

In the Netherlands, icebreakers were called out on canals on Tuesday for the first time.

West German officials said 400,000 students were excused from school in Lower Saxony after temperatures reached -20C.

In Austria, officials reported delays of 10 hours for rail and road transport.

Italian authorities called out troops around the country to help clear roads and thaw out railway switches, signals and tracks. Reuter

U.S.-SOVIET AGREEMENT ON FRAMEWORK FOR ARMS TALKS

Washington gets down to choosing a team

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

NOW THAT the U.S. and the Soviet Union have agreed on at least a rough framework for future arms talks, the next step in Washington will be to put together a negotiating team for what is regarded here as almost certainly a long-haul assign*ment*.

Washington has been holding back on the appointment of negotiators until the structure of the new talks became clearer, and there was no immediate official comment yesterday on *reports from Geneva that* the top job would go to Mr Max Kampelman, a 64-year-old Washington lawyer.

Mr Kampelman, a conservative Democrat, is a veteran of the second Strategic Arms Limitation Negotiations (Salt 2) and a former delegate to the 35-nation Conference on Security and Co-operation in Europe. Yesterday, he expressed interest in the job, but said that he had not been approached for it.

Another negotiator who has been pushing hard for a role in the talks is retired General Edward Rowny, head of the U.S. delegation to the Strategic Arms Reduction Talks (Start), which were suspended by Moscow at the end of 1983.

Mr Rowny's chances were generally thought in Washington to have improved following last week's announcement by *Mr Paul Nitze, the veteran and* highly respected special adviser on arms control to Mr George Schultz, the State Secretary, that he would not be available as a full-time negotiator.

However, Mr Rowny is thought by many in Washington to be too close to his former colleagues at the Pentagon, and probably too unyielding to appeal to Mr Shultz, who favours a more flexible approach. Mr Shultz has made it *clear that he intends to continue* to play an important role in directing the conduct of the talks.

Whoever is finally chosen, Mr Robert McFarlane, President Ronald Reagan's national security adviser, is *likely to* remain a key player in the difficult task of trying to assemble a coherent U.S. position for the *negotiations*.

McFarlane: key player

The soft-spoken former marine colonel chairs the Washington co-ordinating committee that is trying to resolve the continuing internal administration disputes, largely between the hardline Pentagon and the softer line State Department, that are likely to intensify as the negotiations reach issues of substance.

The often self-effacing Mr McFarlane, who frequently briefs Washington reporters in the guise of an unidentified "senior administration official," has a reputation as a good staff man, more of a liaison officer than a policy-maker. *His in*fluence, however, should increase to the extent that Mr Reagan, to whom he reports directly, becomes more involved in the arms control process—as he has begun to do in recent weeks.

Like his bos, Mr McFarlane believes that the main purpose of the arms talks should be to negotiate the transition from offensive nuclear weapons to defensive non-nuclear systems such as Mr Reagan's planned Star Wars space weapons.

Mr McFarlane's decision to go to Geneva, over which he is said to have long "agonised," *was intended to demonstrate to* the Soviet delegation that Mr Shultz spoke with the full backing of the White House, officials say.

Under past practice, the National Security Adviser *would normally have stayed in* Washington to keep the President informed of the talk's progress. This time, White House officials said, Mr McFarlane was "closer to chairing the delegation than being just an*other member*."

Mr McFarlane, a former military assistant of Mr Henry Kissinger, the former national security adviser and State Secretary, has worked for several administrations as a national security official; as well as spending 20 years in the marines. A former deputy national security adviser and special Middle East envoy, he was appointed to his current post in October, replacing Mr William Clark, a long-time Reagan associate who had little experience of security policy.

Bonn hopes for boost to its Ostpolitik

BY RUPERT CORNWELL IN BONN

THE centre-right coalition in West Germany has enthusiastically welcomed the U.S.-Soviet arms control talks agreement—not least because of the fresh impetus it might give to Bonn's own battered *Ostpolitik*.

The cancellation last year of trips here by the leaders of East Germany and Bulgaria and a vicious propaganda campaign from Moscow have brought it home to Chancellor Helmut Kohl that better relations between East and West in Europe are vitally dependent on a thaw between the two superpowers.

Now however, as Herr Peter Boensich, the government spokesman, stressed yesterday, Bonn is nursing cautious hopes that the benefits of the Geneva agreement might spill over into its bilateral ties with the Soviet Union. The first indication of whether this is so will come later this month, when the high level West German-Soviet Eco*nomic Commission* holds a long postponed meeting here.

Bonn is particularly pleased by *two aspects of the* Moscow-Washington accord: firstly that space weapons will be included in the *forthcoming* negotiations; and second, that intermediate weapons, whose siting in West *Germany caused high political* tension in 1983, will be discussed separately.

More generally, the Chancellor regards the resumption of arms talks as justification of his own stubborn optimism — *frequently and sometimes* mockingly criticised here — that sooner or later the two superpowers would settle down to new negotiations. In that sense the development can only strengthen his domestic political *position, analysts believe*.

Even so, the Government is under no illusions that any ultimate success will be very hard earned. Herr Boenisch warned specifically against "underestimating the length *and difficulties*" of the task ahead.

The Geneva outcome has also been warmly greeted by the *opposition Social Democrats*, who have not hidden the feeling in recent months that the onus *for a disarmament initiative* lay with the U.S. "The way is now clear for comprehensive arms control negotiations,' Herr Hans-Jochen Vogel, the SPD leader, declared.

But he coupled his reaction *with a demand for swift* "concrete steps" to slow down the weapons build-up. These might include a mutually agreed freeze on space weapons and on further deployment of intermediate missiles, cruise and *Pershing 2s by Nato*, and *SS-20s*, SS-21s and SS-22s by the Warsaw Pact.

Special circumstances, however, may interfere with Bonn's hopes of a swift improvement in its political relations with *various East European* countries, in a year in which the 40th anniversary of the German defeat in the Second World War will be commemorated.

The whole conciliatory thrust of its policy risks being blunted by the increasingly strident demands from those expelled after 1945 from territories now belonging to Poland and the Soviet Union for their presumed historical rights to be taken into account.

The Chancellor's seeming acquiescence in this campaign is not only under constant attack from the Social Democrats, but offers permanent ammunition for East European attacks against an alleged "militarist revanchism" on the part of Bonn.

Space arms stressed by Gromyko

By Patrick Cockburn in Geneva

MR ANDREI GROMYKO, the Soviet Foreign Minister, returned to Moscow from Geneva yesterday, apparently pleased that the U.S. has agreed to discuss space-based weapons.

***The topic is to be dealt with* by one of the three groups to be established within a month by the two super powers.**

Mr Gromyko said at the airport that his delegation had "particularly stressed the *importance of preventing the* militarisation of outer space."

The Soviet Union is keen to stress that this week's talks in Geneva are entirely different from those broken off at the end of 1983 when cruise *and* Pershing 2 missiles were first deployed in Western Europe.

But, in practice, the fact that talks took place in Geneva at all, and Moscow's emphasis on space weapons, makes it *difficult to sustain the Soviet* campaign against the deployment of cruise.

In his statement at Geneva airport Mr Gromyko sounded reasonably optimistic, noting that "the situation in the world *as a whole largely* depends on the state of Soviet-U.S. relations."

He added that negotiations had not been simple but the joint Soviet-U.S. statement had helped to establish a dialogue between the two countries.

Whatever the outcome of the talks now planned, the Geneva negotiations have led to a significantly more moderate tone being employed by both countries in dealing with each other.

Europe gives cautious welcome to accord

BY OUR FOREIGN STAFF

THE AGREEMENT yesterday drew reactions ranging from enthusiasm to caution among Moscow's European allies.

While both U.S. and Soviet officials had presented the result of the talks as a victory for their own initiatives, there was general optimism elsewhere that, despite wide differences, agreement had been reached in a relatively short space of time.

The Warsaw Pact is expected to adopt a co-ordinated public stance on the issue at a meeting of party and government leaders in Sofia next week.

The Warsaw daily Zycie Warszawy said the Soviet-U.S. statement had gone beyond expectations and referred to the agreement as being "the most important" in the two superpowers' relations to date.

Prague Radio said the result was "positive and hopeful" but referred to "influential forces in the U.S. which hinder any disarmament talks."

East Germany, which, along with Czechoslovakia, has accepted the basing of Soviet medium-range nuclear missiles as part of the bloc's response to deployment of US cruise and Pershing 2 missiles in Western Europe, has so far made no comment.

On the Nato side, France welcomed the resumption of talks but left no doubt about its worries that French and other European interests might be neglected in the negotiations.

Paris is concerned that the Geneva declaration for the first time commits the U.S. to elimination of nuclear weapons, thus playing down the role of nuclear deterrence which is a key element in its defence policy.

It is also worried that the resumption of talks will put fresh pressure on France and Britain that their own nuclear weapons should be counted along with U.S. weapons.

Italian newspapers gave fulsome praise to the agreement. The Turin daily La Stampa hailed the accord saying "the nightmare of non-communications is ending."

In Tokyo, Mr Yasuhiro Nakasone, the Prime Ministerer, said the agreement "brings brightness to the peace and stability of the world." Mr Shintaro Abe, the Foreign Minister hoped the coming arms talks would assure a breakthrough in world tensions, including those of the Middle East and Asia.

Mr Richard Burt, the U.S. Assistant Secretary for European Affairs, is due in Tokyo tomorrow to brief ministers on the result of the talks.

French seamen call off Channel strike

By Our Paris Staff

SEALINK'S Channel ferry services resumed this morning following the end of a ten-day-old strike by French seamen.

The strike ended yesterday following agreement between the French railway authority, SNCF, which owns half of Sealink, and the pro-Communist CGT union.

The main plank of the agreement consists of a lifting of the blockade at Dunkirk in return for an SNCF promise not to press charges against 40 crewmen of the Saint Germain ferry responsible for blocking the port with the ship.

Greek plan 'no threat' to Nato

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE'S MILITARY commitment to Nato will not be affected by the Socialist Government's new defence policy, which concentrates on defending the country against a perceived threat from Turkey, according to senior government officials here.

The "national defence policy" was formally approved this week by the inter-ministerial Council for Foreign Affairs and Defence, and the army chiefs-of-staff, in a joint meeting chaired by Mr Andreas Papandreou, the Prime Minister and Minister of Defence.

Mr Papandreou unexpectedly announced the intention to revise defence policy, with the emphasis on defending Greece's eastern borders with Turkey, in a speech to Socialist Party officials last month. This caused anger in Ankara and confusion in other Nato capitals over the practical effect this was likely to have on Greek troop deployment on the alliance's south-eastern flank.

The timing of the move is particularly sensitive, coming one week before a critical January 17 summit meeting in New York between Greek and Turkish Cypriots to negotiate a Cyprus settlement.

The Government's tone this week, however, was noticeably low-key. A generally worded statement listed the basic goals of the new policy as the "defence of peace" and the "safeguarding of the independence and territorial integrity of the country," in that order and avoiding any specific reference to Turkey.

Officials were anxious to stress that it will not detract from Greece's military role in Nato They foresaw no changes in the deployment of Greek land forces which have been deployed with a weather eye on Turkey since at least 1974, when the two countries came to the brink of war over Cyprus. The officials implied that there might be changes in the deployment of the navy and air force, but gave no details.

SPD builds up contacts with East Berlin

By Our Berlin Correspondent

HERR HEIRICH RAU, the Social Democrat (SPD) Prime Minister of West Germany's most populous state, North-Rhine Westphalia, yesterday arrived in East Germany for the latest in a series of high level SPD contacts with the East German leadership. Herr Rau is a deputy to SPD chairman, Herr Willy Brandt.

Contacts between the SPD and the East German politburo *have flourished since the* cancellation last September of a planned visit to West Germany by Herr Erich Honecker, the East German party chief and president.

The East Germans, fully *backed by Moscow, have* cultivated the Social Democrats whom the Soviet Union at least would prefer to see in power in Bonn. The SPD for its part has shifted its views on German re-unification which Herr Brandt called an "illusion." The party, in a position paper late last year, said forms of national unity should take precedence over German re-unification.

Accompanying Herr Rau's visit to East Germany was a blast *against the conservative*-led West German Government by Pravda which said Bonn had manoeuvred itself into isolation. The Soviet party newspaper reiterated Moscow's charges throughout last summer that Bonn's long-range goal was to annex East Germany.

Although East Berlin's relations with the West German Government remained correct since Herr Honecker's trip was cancelled, its dialogue with West German politicians shifted to the opposition.

An influential politburo member, Herr Hermann Axen, visited Bonn shortly after cancellation for talks with the SPD *on a chemical* weapons free zone in central Europe. Herr Hans-Jochen Vogel, the SPD party Whip, visited East Berlin for talks with Herr Honecker shortly afterwards.

Patrick Blum in Vienna reports on the rise of the environmentalists

The Greening of Austrian politics

THE AUSTRIAN Government's hasty retreat after a row over the building of the Hainburg hyroelectric power plant has given it a temporary reprieve, but at considerable political cost.

The Socialist Party and the small *Right-wing Freedom* Party in the Government coalition have come out of the conflict badly bruised by internal disaffection and with low morale. The environmentalists can claim a victory and the *conservative People's Party* is seeking with some success to gain the maximum advantage from the Government's discomfiture.

The Government has postponed work on the site on the *River Danube and has drawn* up a plan for the use of hydro-electric power which in effect halts work at Hainburg for another year, although the Government says it remains committed to building the plant.

Described by the chancellor Dr Fred Sinowatz, as an "Austrian solution" to the battles which have pitted police against environmentalists in the Hainburg forest, the plan makes it likely that a less controversial site for the plant will be sought. Opponents claim that building the plant on the original site would destroy the Auwald, one of Europe's last primeval forests.

The Government had previously said the Hainburg plant was essential to meet Austria's energy needs. It declared illegal the occupation of the site by protesters and, shortly before Christmas, sent 1,000 police to clear the area to allow trees to be felled. The ensuing clashes brought howls of protests and accusations of police brutality.

The government's legal position was made to look absurd last week when the courts ruled that the felling of trees at Hainburg was itself illegal since the provincial authorities had failed to fulfill all the legal requirements before going ahead.

In the aftermath of the clashes, which shocked Austrians, the feeling in Vienna is that Austrian politics will never be quite the same again. It has been a serious political crisis for Dr Sinowatz's Government, whose authority has taken a damaging blow.

Social partnership, that uniquely Austrian institution which binds together the Government, employers and the trade unions, remains strong. They all favour building Hainburg. But the wide social consensus has been undermined by a movement which has sprung up outside the traditional institutions and remains largely outside their control.

There are no "Greens" in parliament and the majority of the protesters are young and politically unattached, although they also include Socialists and members of other parties. The movement has gained considerable public sympathy from radicals and conservatives alike. Public enthusiasm for "Green" issues has surged in recent months.

A combined list of conservative and left wing Greens scored an unexpected success in provincial elections in Voralberg last October, winning 13 per cent of the vote and eclipsing the Freedom Party. Recent events suggest that the Greens will make a considerable impact at the next general election early in 1987.

This prospect opens the door to a realignment of political forces with the return of a Grand Coalition government of Socialists and People's Party similar to those that ruled Austria from the end of the war until 1966. It would leave no room for the Freedom Party which could find itself relegated to fourth position behind the Greens.

In the immediate future, the People's Party stands to gain most from Dr Sinowatz's troubles. Its leader, Dr Alois Mock, has had difficulties shaping and presenting a distinct political alternative, because his party is often divided by pressures from its main constituent parts: farmers, white collar workers and public employees, and industrialists.

Demonstrators camp out, protesting at the Hainburg hydroelectric power plant plan

But Dr Mock has carefully steered his party in support of building Hainburg, which pleases its industrialist wing, while calling for greater environmental safeguards. He has endorsed the Greens' call for a referendum to decide whether or not the plant should be built.

Hainburg has exacerbated conflicts within the Freedom Party. Its younger, more nationalistic and populist politicians are using the issue to renew their attacks on Dr Norbert Steger's liberal leadership with calls for a pull-out from the government. Dr Steger, who is Vice-Chancellor, has resisted the challenge in the knowledge that his party would be condemned to years of opposition as a result but is finding it increasingly difficult to maintain his hold on the party.

This raises a question mark over the future of Dr Sniowarz and his coalition government. After last September's minis- over the future of Dr Sinowatz may have hoped that he had halted the decline in the Government's popularity. Recent events have dashed such expectations.

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Israeli jets attack Palestinians' Beka'a base

By David Lennon in Tel Aviv

ISRAEL'S WAR planes attacked a Palestinian guerrilla base in Lebanon's Beka'a Valley yesterday, as the Israeli inner Cabinet met to decide how to respond to the stalemated negotiations with Lebanon over an Israeli withdrawal.

Mr Yitzhak Rabin, the Defence Minister, said yesterday that he was "unsure whether the process of deliberations with the Lebanese to determine security arrangements by agreement are over," but "it is very close to its end, at least in the current format."

The Israeli delegation will not attend today's negotiating session at Nakoura because of the unsatisfactory response of the Lebanese delegation at Monday's meeting to Israel's proposals for the redeployment of the UN force in Lebanon, following an Israeli pullback.

Mr Shimon Peres, the Prime Minister, called in his senior Cabinet ministers yesterday to examine the options now open to Israel. High on the agenda is the possibility of a unilateral withdrawal from part of the Lebanese territory occupied since June 1982.

Replying to questions in the Knesset, Mr Rabin said that any decision to be taken by the Government on Lebanon would be "very difficult, because there are risks inherent in any unilateral step," but said that such a decision might be taken "in the very near future."

Israel is not expected to take any major decision before the pending arrival in the area of Mr Brian Urquhart, the Under-secretary-General of the UN. He is expected to try to win agreement for an expanded role for the UN force through separate talks with each side.

The army spokesman in Tel Aviv announced that Israeli war planes attacked a Palestinian guerrilla base near the town of El Marj in the Beka'a Valley yesterday afternoon.

The base, a single-storey building, was used by the Palestinian Popular Struggle Front, a little-known Damascus-based Marxist group affiliated with PLO rebels.

Reuter adds: Ethiopia has accepted on offer of Israeli food and medicine for its famine victims despite the current controversy over the airlift of Ethiopian Jews to Israel, relief officials said yesterday.

Officials of Magen David Adom, the Israeli equivalent of the Red Cross, said an Israeli-registered merchant ship carrying the consignment would leave the Red Sea port of Eilat on January 27 and dock at Assab, Ethiopia, two days later.

The Israelis will send half a ton of antibiotics, 55 tons of food, 800 tents and 10 field kitchens in accordance with a list from the International Red Cross and Ethiopian Red Cross, the officials said.

The consignment was valued at about $250,000, donated by private individuals and companies during a government approved fundraising campaign

Taiwan continues battle from propaganda outpost

BY BOB KING, RECENTLY IN KINMEN

I SQUINTED through the high-powered binoculars and a fishing junk came into view, making its leisurely way toward Amoy Bay. Beyond the junk, just over a mile away from the concrete bunker in which I stood, four people and a dog strolled unconcernedly along the beach.

I had seen the face of the enemy

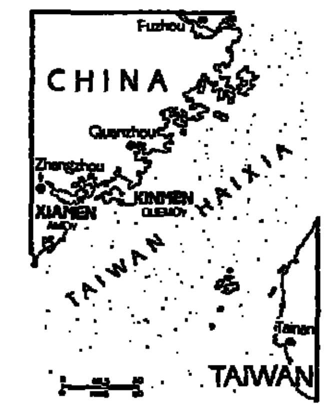
I was viewing mainland China from nationalist China's citadel of Kinmen, or Quemoy as it is popularly known, at the nearest point between the armed camps that have been separated since 1949 and have been warring even longer.

The guns are silent on Kinmen today, and even the cannonades of shells loaded with propaganda leaflets ceased to fall on both sides of the water after the U.S. recognised Peking nearly six years ago. Kinmen today presents a bucolic picture—allowing, of course, for such anomalies as omnipresent troops, restrictions on visitors and the special permission needed for residents to leave the island.

The tension has also gone from the island: a day-dreaming sentry sheepishly comes to attention as our military bus passes an outpost, farmers work unhurriedly in the fields and shopkeepers in towns and villages seem more intent on selling souvenirs to tourists than on the Communist threat across the water.

Kinmen, lush from a military tree-planting programme, shows a stark contrast to the barren and shell-torn island of the late 1940s and 1950s. It could also be nationalist China's showcase: under military rule, the streets are free of the rubbish and disorder on Taiwan proper and cars actually stop at traffic lights. If there were any, one would expect the trains to run on time.

But Kinmen is still considered a war zone, although



the last fighting took place in October, 1949, when an estimated 10,000 Communist soldiers invaded the island aboard sampans and were decimated by the Nationalist defenders.

Nine years later, a 44-day bombardment and siege by the Communists caused many Westerners to identify Kinmen with the Nationalist cause.

The arguments that supported that cause—Communist domination of Asia and ultimately the world—have fallen into disrepute over the past two decades as one nation after another recognised Peking as the absolute ruler of all China. Currently, only 24 nations, most in the Latin-American mould, maintain full relations with Taiwan, compared with nearly 100 that recognise China.

But Kinmen and the other, smaller Nationalist-held islands scattered along the Chinese coastline endure. They signify the Nationalists' continuing commitment to the idea of one China, as much as their opposition to a Communist China. In contrast to Peking's fitful attempts to dislodge the Nationalists there in the past, China nowadays seems prepared to maintain the status quo.

World opinion has shifted, too. The "Communist peril" seems much less threatening when Peking offers Taiwan olive branches instead of bombs and publicly renounces expansionist doctrines. This leaves the Nationalists in a quandary: how best to utilise their presence on the offshore islands to boost their role as an alternative to Communist rule, without seeming overly aggressive to the world.

As a result, Kinmen has become less of a "dagger pointed at the heart of Communism" and more of an informational way-station for the kind of life Taiwan offers. Some examples are subtle: the Kinmen garrison each year sends via balloon 150,000 lbs of material—transistor radios, watches, toys, soap, plastic dishes, pens, calculators—to their compatriots on the mainland, along with tonnes of leaflets telling of the better life in Taiwan. China sends back its own propanda by balloon as well.

The two also engage in a battle of words through huge loudspeakers mounted on the water's edge in both camps, blasting propaganda at deafening levels at each other. Taiwan Defence Ministry officials claim, for instance, that their 24,000-watt speakers spread the nationalist message up to 16 miles into Fukien province opposite the island, about 12 hours a day. Taiwanese officers tell of sleepless nights when exposed to similar treatment from the other side.

It is hard to tell how much disaffection these sound-barrages cause on the other side. Military officers cite recent defections to Taiwan from other parts of China as evidence of their propaganda's effectiveness, but were unable to point to any recent defectors from Fukien province.

Number of unemployed blacks rises in S. Africa

By Anthony Robinson in Johannesburg

OFFICIAL unemployment figures for black workers in South Africa have risen above the half million mark for the first time according to the latest figures from the Central Statistical Office. These show a 14,000 rise in black unemployment to 506,000 in July.

The total is believed to have risen sharply since then as the economy has moved into a severe recession which has hit unskilled and semi-skilled employment in the car industry and other major employers of black labour. Drought-hit agriculture has also shed labour heavily.

Officially 8.3 per cent of the 6.13m economically active black labour force was unemployed in July. But the total black population is now estimated to be 18.3m, of whom 11.4m live in rural areas, and research by academic labour specialists puts the true figure for black unemployment and under-employment at close to 3m.

Official unemployment figures show that women are most affected with female unemployment running at 14.1 per cent against 5.4 per cent for males.

The latest figures are expected to provide ammunition for the anti-disinvestment lobby in South Africa. This argues that over 250,000 new jobs have to be created for blacks every year, requiring a minimum growth rate of 4 per cent, and that any action which reduces investment and job opportunities always affects black workers the hardest.

This point was made forcibly by Mr Herman Nickel, the U.S. ambassador, earlier this week, when he criticised the pro-disinvestment lobby while introducing Sen Edward Kennedy to a meeting of businessmen.

Sen Kennedy yesterday continued his tour of South Africa by meeting Mrs Winnie Mandela, the banned wife of imprisoned African National Congress leader Mr Nelson Mandela

N. Korea threatens boycott of negotiations with South

BY STEVEN B. BUTLER IN SEOUL

NORTH KOREA has threatened to boycott economic and other negotiations with South Korea unless South Korea agrees to cancel participation in large-scale joint military manoeuvres with the U.S.

Mr Kim Hwan, the North Korean deputy premier, called for a direct meeting with his South Korean counterpart, Mr Shin Byong-hyun, in order to find a way a salvage the North-South dialogue. South Korea is likely to find it impossible to comply with North Korea's demand for last-minute cancellation of the military manoeuvres, in which 200,000 South Korean and American troops will take part.

The military exercises, scheduled to begin on February 1, have taken place annually since 1976. North Korea was invited to send observers to the exercise.

North Korea has always protested against the exercises as being provocative and has usually responded by putting its own military forces on a high state of alert.

The North Korean move seems calculated to embarrass the U.S., by laying the blame for any failure in the North-South dialogue on the presence of American forces on the peninsula.

A second round of talks on bilateral economic co-operation was scheduled to take place on January 17, and on January 22 some 86 North Koreans were to arrive in Seoul for Red Cross talks on reuniting families divided by the Korean War. It would be the first time in more than a decade that Koreans have moved openly across the tense border between North and South.

Leading economic status predicted for S. Korea

BY OUR SEOUL CORRESPONDENT

CITING THE 21st century as a "century of the Korean people" Mr Chun Doo Hwan, the South Korean President, has predicted that Korea would become a leading economic nation of the world, in a New Year's address to Korea's National Assembly.

"We have accomplished in about 30 years what it took advanced countries 100 to 200 years to achieve," he said. Mr Chun predicted that South Korea's gross national product would reach $250bn, or $5,000 per capita. Korea's per capita gross national product is expected to surpass $2,000 this year.

This economic growth will make South Korea, with a population of 42m, the 15th largest economy in the world and the 10th largest trading nation.

Mr Chun also reiterated his Government's support for continued dialogue with North Korea, and called for a summit meeting between himself and Mr Kim Il-Sung, the North Korean President. A Government spokesman said that Mr Chun's use of the North Korean leader's official title of "president" was particularly significant. North and South Korea tend to avoid addressing each other in terms that would imply any recognition of the other's legitimacy.

Hong Kong rejects Chinese airport plea

BY DAVID DODWELL IN HONG KONG

THE Hong Kong Government has rejected a Chinese request for help in planning an international airport close to the territory's north-western border in a move that illustrates extreme sensitivity in both Hong Kong and China about how to cope with the future growth of international air traffic in southern China.

The rebuttal, admitted by the Hong Kong Government yesterday after a series of careful leaks by the Chinese authorities, comes at a time when there is increasing nervousness in Hong Kong over what is seen to be erratic and unco-ordinated airport planning in the fast-developing special economic zones in its immediate hinterland.

Hong Kong has openly voiced worries that China might in future try to usurp its role as a major international air traffic centre by diverting airline traffic to mainland airports.

The recently signed Sino-British agreement which provides a blueprint for the return of Hong Kong to Chinese sovereignty in 1997 sought specific assurances that China would not "poach" air traffic, but worries over Peking's intentions remain.

The Hong Kong Government revealed yesterday that officials from the civil aviation authorities of Hong Kong and China met secretly in November at China's request to discuss plans for an international airport in Shenzhen, close to the Hong Kong border.

Apart from discussing the implications of building a new airport so close to Hong Kong's Kaitak Airport, which is one of the busiest in Asia, China also asked Hong Kong to help in the "selection and briefing" of consultants.

Hong Kong refused the request two weeks later, claiming that financial stringencies, and an extremely heavy workload, made it impossible to commit the manpower or resources China wanted.

It said the decision to build an airport close to Hong Kong was "entirely a matter for the relevant Chinese authorities," but complained that the site chosen, in Deep Bay north-west of Hong Kong, was "not compatible with existing and planned developments," and would give rise to "unacceptable levels of aircraft noise."

Officials in Hong Kong were yesterday unable to gauge how firm China's commitment was to the Deep Bay site. Two other sites close to Hong Kong have been considered.

Ever since Hong Kong's own plans were abandoned to replace the congested Kaitak Airport with a new airport on Lantao Island, the authorities have implicitly acknowledged that its long-term air traffic needs would have to be met by collaborating with China on a new airport to be built on the mainland.

Meanwhile, however, the authorities have ordered expansion and modernisation at Kaitak that is expected to enable the airport to cope with growing air traffic pressures until at least 1993.

Efforts to make progress in talks on a new airport to serve both Hong Kong and China's Pearl River delta have been confounded by unbridled competition between the three special economic zones in the area—in Shenzhen close to Hong Kong, in Zhuhai just north of Macao, and in Guangzhou. All have been drawing up plans for international airports, and the central authorities have shown a marked reluctance to enter the ring as referee.

At the moment, Guangzhou has an important domestic airport which handles a little international traffic, while Zhuhai and Shenzhen have helipads.

All three authorities claim to have won central backing for an international airport, but none has yet shown evidence of detailed feasibility studies, or of financial backing. Many officials in Hong Kong feel the order has gone out from Peking that whichever authority can be first to win overseas financial backing for an airport based on a technically sound feasibility study commissioned at its own expense will be allowed to go ahead.

AMERICAN NEWS

Republicans begin talks on spending cuts

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

REPUBLICAN leaders in the *U.S. Senate were yesterday* due to begin considering their own menu of spending cuts designed to reduce the federal budget deficit considerably more *sharply than envisaged* by the Reagan Administration.

The plan drawn up for the Senators is based on an across-the-board freeze of all government programmes—including defence—except those for the poor, such as food stamps. If fully implemented, according to staff aides, the budget would be balanced by 1990.

The plan's authors admit, however, that many of the measures suggested are controversial and would require tough decisions that may not be taken. The plan includes many of the economies that are likely to be proposed by President Ronald Reagan when he sends his budget to Congress on February 4, and then adds even more politically-sensitive, cost-cutting proposals.

The recommended freeze would include a one-year standstill in cost-of-living increases for social security recipients—an area that Mr Reagan pledged to leave untouched in his election campaign. There have been suggestions from White House officials, however, that Mr Reagan might in the end accept such a measure if it were clear that it was favoured by Congress.

The White House has said that it welcomes the senators' efforts to try to find ways of meeting *the Administration's* target of a deficit of about $100bn (£87.7bn) by fiscal 1988. The White House has itself proved unable to meet the target, as a result of its reluctance to make deep defence cuts or tamper with social security.

Under the Senate plan, drawn up under the direction of Senator Robert Dole, the new Republican majority leader, the deficit could be reduced from over $200bn this year to $156bn in fiscal 1986, which begins on October 1. It would then decline to $126bn in fiscal *1987 and $78bn in fiscal* 1988, before disappearing altogether in 1990. The plan, however, is being presented as a "menu of options."

Hodel likely to move to Interior

By Nancy Dunne in Washington

PRESIDENT Ronald Reagan is expected to continue the musical chairs process underway among his Cabinet by naming Mr Donald Hodel, the Energy Secretary, to succeed Mr William Clark, as Secretary of the Interior.

Administration officials said yesterday that the announcement of Mr Hodel's appointment may be accompanied by the naming of his successor at the Energy Department. The President is also reportedly considering an eventual merger of the Interior and Energy Departments with *Mr* Hodel at the helm of both.

However, government reorganisation must be approved by Congress which traditionally *hates* to eliminate any departments. In the meantime, an Energy Secretary will be required and the President is reportedly considering the appointment of Mr John Herrington, his personnel chief at the White House, as an interim secretary until a merger is effected.

Within the White House Mr Hodel, at 49, has been considered a natural replacement for Mr Clark—a fellow Westerner who has also served the President in various capacities *over the past two decades. Mr* Hodel served as Interior under secretary under Mr Clark's controversial predecessor, Mr James G. Watt.

Like both of the Reagan Interior appointees, Mr Hodel favours a speed-up of natural resource development on public land and an easing of restrictions which protect the lands from exploitation. At the Energy Department, he has been an advocate of nuclear power and accelerated energy devlopment.

U.S. jobless rate rises slightly

BY OUR WASHINGTON CORRESPONDENT

U.S. EMPLOYMENT continued to expand in December, although the seasonally adjusted unemployment rate rose only slightly to 7.2 per cent from a revised 7.1 per cent in November, the U.S. Labour Department said yesterday.

Despite a slower rate of job creation in the second half of last year, the civilian labour force grew by 3.2m in 1984. The department estimates that 340,000 new jobs were created in December with a surprisingly strong 44 per cent of them in manufacturing.

Unusually *good* weather last month helped produce 55,000 construction jobs. Factory jobs rose by 85,000, with 25,000 more jobs, the largest gain, in automobile manufacturing.

However, 8.2m Americans were still looking for work last month and five industries still had lower employment levels than were recorded at the recession low in November 1982—mining, steel tobacco, petroleum and coal and leather.

The number of "discouraged workers"—those who say they would like jobs but are not looking because they feel they cannot find work—remained at 2.2m last month. Blacks, who recorded a 15 per cent unemployment rate — comprise the largest share of discouraged workers.

Government to pay part of Brazilian shipbuilders' debt

BY ANN CHARTERS IN SAO PAULO

THE LONG-RUNNING controversy in Brazil's shipbuilding industry over who is responsible for $545m (£478m) overdue loans borrowed by seven shipbuilders from Brazilian and foreign banks with the backing of Sunamam, the Government's national superintendent of the merchant marine, *is nearing a* conclusion.

Sr Jose Carlos Dias de Freitas, the secretary-general of the Ministry of Transport, who *presides over a council created* to determine the extent to which Sunamam was legally responsible for helping the shipyards obtain bank financing, stated that the Government will authorise payment beginning next week on part of the debt contracted by four of the seven shipbuilders.

Of the $116.9m in loans to the four shipbuilders — EBIM, Verolme, McLaren and Caneco — the Government has recognised slightly more than $81.8m as legitimate obligations. The figure will go higher because Caneco was granted an increase from the $10.6m of its $25m in loans originally considered legitimate.

Sr Freitas indicated that negotiations with Brazil's second and third ranking shipbuilders, EMAQ and Ishibras, *could be concluded this week* as well, but that the settling of accounts with CCN/Maua, Brazil's fourth largest shipbuilder, would take at least several more weeks. CCN accounts for roughly $240m, nearly half of the outstanding debt, having undertaken the construction of the largest number of new ships years ago.

The difference between what the council in the Ministry of Transport has to pay and what the shipbuilders individually owe the banks is a matter for direct negotiations between the banks and the shipbuilders, according to Sr Freitas. He says the "debt is not ours."

The Ministry, however, will lend its weight to the negotiations between the shipyards and their creditors in an effort to convince the banks to reduce *penalty charges, commissions* and the current value of the debt corrected for inflation, Sr Freitas said. The portion of the total debt due foreign banks is reportedly $110m.

Payments on the outstanding loans were suspended two years ago, when Sunaman ran out of funds. The more than 30 banks involved have been pressing the Government to conclude negotiations before the new Government takes over in mid-March.

Settlement of the debt has *been a drawn-out issue, in part* because of poor administration and records from Sunaman and confused accounting in a few of the shipbuilding companies.

Bankers are hoping that the Government would assume more of the debt so that rescheduling payments with the shipbuilders could be avoided.

TWA loses court case on pilot retirement

By Paul Taylor in New York

THE U.S. Supreme Court, in a landmark decision on the interpretation of an 18-year-old federal law against age discrimination, has ruled that Trans World Airlines (TWA) broke the law by forcing 60-year-old pilots to retire—rather than transfer to a lower-ranking cockpit job.

The decision *is expected* to have widespread repercussions throughout the U.S. airline industry, where many airlines face similar court cases, and elsewhere.

The Supreme Court ruled unanimously that TWA, the sixth largest U.S. domestic carrier, violated the law by making it difficult for pilots who reach the age of 60 to downgrade their jobs to the number three cockpit position of flight engineer.

However, the court also *handed* TWA and potentially other employers, a partial victory by overruling a lower court and deciding that TWA is not liable for double damages—as provided for by the law—because the violation was not "wilful."

The case, brought by three former TWA pilots, hinges on the attitude airlines take towards *ageing pilots. Under a* Federal Aviation Administration rule known as the age-60 rule, no one is allowed to serve as a *pilot*—captain or first officer—on a commercial airline after reaching the age *of 60.*

Many pilots who do not want to retire at 60 seek transfers to become flight engineers. TWA's policy did not grant a 60-year-old pilot the right to make such a transfer and the Supreme Court objected to this "discriminatory' transfer policy.

Mexican price index up 59.2%

THE MEXICAN consumer price index rose by 59.2 per cent in 1984, Banco de Mexico, the central bank, reported yesterday, **Ronald Buchanan writes *from Mexico City.***

The increase fell well short of the 40 per cent target set at the beginning of the year. Equally, however, it marked a *sharp fall in the previous year's* 80.8 per cent.

The official labour movement recently accepted a 30 per cent increase in the minimum wage,

Tim Coone in Managua assesses the financial future

Sandinistas face worst year as war takes toll

PRESIDENT Daniel Ortega, who takes the oath today as Nicaragua's Head of State for the next six years, now faces the most difficult year of the revolution started almost six years ago by the Left wing Sandinistas.

The war against U.S.-backed "Contra" guerrillas is taking a heavy toll on the economy. War damage is estimated at $255m in 1984 alone and inflation is running at an annual rate of over 50 per cent.

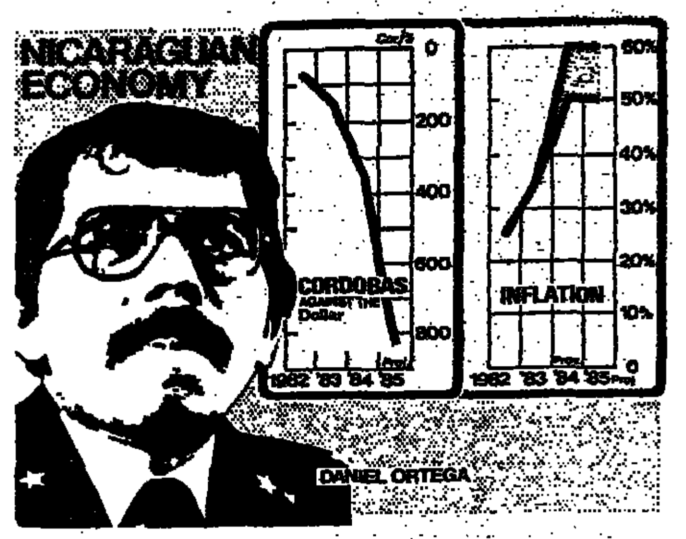
The foreign exchanges crisis worsens each month and production in many sectors is failing to meet demand. Coffee and cotton, the country's two key export crops are the target of guerrilla fighting and shortages of labour are hitting harvests.

A deficit on the current account fo the balance of payments of some $400m per year is *foreseeable* for at least *another two years, longer if the* guerrilla war persists, and Nicaragua's foreign debt now stands at around $4bn, with the first principal payments from the 1980 debt renegotiation due this year.

The Government has no hope of meeting its obligations and a further renegotiation will be necessary. Until the war ends, one senior *official* said, "there is no solution to the economic problem. There are only remedies to alleviate the worst effects."

The Government is expected to put forward a package of economic measures shortly to try to resuscitate the flagging economy. Already a new economic Cabinet has been set up and Sr Ortega is expected personally to exert much greater control over economic affairs. The new Cabinet consists of the President, Vice-President, Ministers of Agriculture, Industry, a new Foreign Co-operation Minister, the Central Bank President and a Budget Secretary.

The former Minister of Finance, Sr Joaquin Cuadra, has take nover at the Central Bank, indicating that tighter control will be exercised over the fiscal deficit in 1985. Sr Ortega also said in his New Year speech that there would be greater incentives for production workers, an adjustment *of salaries partially to compensate* for the fall in living standards, and an emphasis on efficiency in state enterprises. Public spending is budgeted at 28bn Cordobas (£2.4bn) for 1985, "which must not be revised," said Sr Ortega.



Even so, public spending will be 33 per cent up on the 1984 level, with defence expenditure absorbing 40 per cent of the budget. To offset this, VAT has been extended and a capital gains tax and a new tax on small traders have been intro*duced.*

The higher deficit has led to rapid monetary growth. According to Sr Alfredo Cesar, the former head of the central bank who resigned in 1982 over the *Government's* expansionist monetary policy, supplies of Cordoba banknotes printed in 1982 to last until 1986 ran out by 1984.

Sr Pablo Candia, spokesman for the Internal Commerce Ministry, said that 50 per cent of the 10bn Cordobas in circulation in early 1984 passed through the hands of Nicaragua's 2,500 small importers or "buhoneros."

"To control prices effectively we need to control at least 50 per cent of production," Sr Candia said. State control is still a long way off, and according to agriculture officials, the expropriation of underutilised property *is* to come to a halt this year to avoid further alienation of the small and medium sized farmers. Price incentives for private producers *are likely to be the tool for* dealing with the problem of shortages of food and other commodities.

More seriously for the populist Sandinistas is the widening breach between salaried workers and the self-employed.

A considerable advance has been made over the past year to bring some order to wages policy, with most occupations classified with a fixed rate set for each job.

The system has, however, produced gains in the middle and higher income brackets and a *freezing of salaries in others,* leading to an inability to attract labour to the sectors most in need. Salary scales are therefore to be raised this year, according to *Sr Bendicto* Meneses, the Labour Minister.

Higher wages will cut across plans to introduce the foreign investment law which the *Sandinistas* included in their electoral programme last November however. A devaluation of the Cordoba is therefore likely early in the year along with a reduction in the 14 different exchange rates for the currency.

If new finance is not forthcoming from the West, relations with the Comecon countries can be expected to strengthen. It is not insignificant that Sr Henry Ruiz, the former planning Minister, is to head the new Ministry of Foreign Co-operation, for he has been responsible for most past negotiations with Comecon countries.

A tough stance on debt renegotiation is also likely. The new Vice-President, *Dr Sergio* Ramirez, when asked about relations with the U.S. said: "Very good, they're not loaning, we're not paying."

WORLD TRADE NEWS

Eurospace proposes $22.5bn programme to last 15 years

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

EUROSPACE, the European consortium of over 60 companies and other organisations involved in space manufacturing, has proposed a 15-year, $22.5bn (£20.5bn) industrial space development programme to European governments.

The proposal is to be considered at a meeting in Rome at the end of this month, when ministers of the countries involved in the European Space Agency meet to consider that body's own future space programmes.

The Eurospace programme, which would cost an average of *about $1.5bn every year for the* 15 years envisaged, is broadly similar to that already proposed by the ESA for its future activities.

"*This is not by chance* but due to the fact that ESA and Eurospace are faced with the same necessities and that constant exchanges of views, ideas *and information* have taken place," says Eurospace.

"In other words, excellent collaboration has developed between the two organisations over the past few years."

The Eurospace proposals include the continued development of the Ariane satellite launcher, with a new cryogenic engine; development of Hermes (a manned European mini-*shuttle which could be launched* into space by Ariane and would return to earth like an aircraft); further development of the Spacelab manned orbital workshop; and development of the Columbus space station.

The space station was designed initially to be part of the proposed U.S. manned space station but eventually with new elements forming an autonomous European manned space station.

Other elements of the long-term package include develop*ment of manned orbiting* platforms for a wide variety of tasks and continued series of earth observation, telecommunications and scientific satellites of *various kinds.*

Eurospace claims that its proposals should enable European industry to capture some 15 per cent of the world market in space activities of all kinds in the years ahead, or averaging *about $7bn a year.*

A new package is essential, says Eurospace, because of the ending of the first major 10-year ESA programme.

"In the *major* European countries which run national space programmes, and which exploit space systems commercially on a national level, the continuity of industrial workloads is threatened, although not yet seriously affected, by the relative decline in ESA budgets."

Eurospace says that its proposed programme, the implementation of which would be entrusted to the ESA, "is considered indispensable if Europe is to preserve its independence *in space, while enabling it to* act as a credible partner, working in space co-operation ventures in the future with the U.S. and other countries.

"European industry has shown that it is capable of undertaking such a programme."

OECD reduces export credit rates

By Christian Tyler, Trade Editor

THE RATES that exporters of capital goods must charge when offering fixed interest subsidised credit to their customers are to be revised downwards from January 15.

The fall in rates, worked out by member nations of the Organisation for Economic *Co-operation and Development*, is the result of a new semi-automatic adjustment formula agreed 15 months ago. It reflects the decline over the past six months in government bond rates for the five SDR currencies.

From next Tuesday, and subject to official confirmation, the minimum rate for medium and long-term credit extended to the poorest nations will fall from 10.7 per cent to 9.85 per cent.

For two-to-five-year loans to "intermediate" countries, the rate falls *from* 11.55 per cent to 10.7 per cent, and for loans of five years and more *from 11.9 per cent to 11.2* per cent.

The equivalent figures for officially-supported exports *to* the richer nations will be 12 per cent (13.35 per cent) and *12.25 per cent (13.6 per cent).*

The *fall* would have been greater but for a clawback agreed at the last substantive OECD negotiation, when the U.S. and other anti-subsidy nations sought to reduce the gap between the so-called Consensus and commercial interest rates.

***As a result, the rate for* poor countries is 0.5 percentage points higher than market movements would have suggested, and for intermediate countries 0.65 points.**

The clawback, originally due to be phased in before July next year, is being taken all at once because of the large fall in commercial rates over the past six months.

While the issue of subsidised credit rates has largely been settled by the automatic *mechanism, there is still* controversy between OECD members about the use of mixed credits where government aid money is combined *lending to soften* credit terms for developing country capital project business.

David Buchan on a meeting designed to cut exports red tape

CoCom bids to ease China curbs

SENIOR officials from the 15 *member governments in the* Paris-based Co-ordinating Committee (CoCom), which vets sensitive Western exports to communist countries, are to meet next month to discuss ways of cutting the licensing red tape that is increasingly hampering their countries' high technology sales to China.

The meeting in Paris will be the first high-level CoCom session since committee members — Nato countries minus Iceland but plus Japan—redrafted last autumn their *embargo list to include the* latest in sophisticated electronic, computer, robotic and telecommunications technology thought to be of possible military use.

Formally, the CoCom embargo list still applies as much to China as to the seven Warsaw Pact members, Vietnam, Mongolia, North Korea and Albania. However China with its growing political and commercial receptiveness to the West is receiving nonetheless increasingly favourable treatment from *CoCom members*, particularly the U.S.

The key problem, which U.S. *Commerce Department officials* say they want addressed at next *month's session, is* that some *70-80 per cent of requests being* filed for "exceptions" to the CoCom embargo concerns sales to China, mainly by U.S. companies. This is causing months-long delays, they complain. Zhang Wenjin, the Chinese ambassador to the U.S., has also complained of export licensing delays.

Zhang Wenjin: complaints about licensing delays

The dilemma for CoCom is that Washington does not want to take the easy way out by simply drafting a shorter list of embargoed goods for China.

U.S. officials argue that this would reduce CoCom flexibility to tighten up on embargo exceptions *for* China, *should* the West's relations with Peking *take a turn for* the worse. It would *also cause* Moscow offence at a time when the U.S. is holding *high* level economic talks with the Soviet Union for the first time in seven years.

So, the U.S. is pushing for CoCom to speed up the rate at which its grants exceptions to the embargo *in China's favour.* Under CoCom procedures, member governments may license exceptions to the embargo either at their national *discretion or, in the case of* more sensitive items, if all other 14 governments agree.

America's partniers in CoCom have not in fact been blocking U.S. requested "exceptional" sales to China. Indeed for years it was the U.S. that cast its veto on their sales to China. Some European companies, particu*larly in Britain*, have alleged that the Reagan Administration abruptly changed in late 1983 its export licensing attitude to China in such a manner as to let U.S. companies steal a march on them in the Chinese market.

However, allied governments seem to agree that CoCom needs to deal with the problem caused by *the flood of U.S.* export applications for sales to China. In 1983 the U.S. Commerce Department received 4,015 U.S. export licence applications for China. *However, following* announcement of liberalised U.S. licensing rules, it received 8,889 applications in *the first 11 months of last year.*

Many of these required allied approval in CoCom, so that last year the U.S. submitted to the Paris body as many as *3,122* applications for "exceptional" sales, 89 per cent of them for sales to China. In *1982* the U.S. submitted only 1,150 exception requests to CoCom, and only 54 per cent of them were for sales to China.

As a result of this overload U.S. companies *often* have to wait six to eight months to get an export licence for China.

U.S. officials suggest that the answer is for CoCom member governments to be allowed to license *more* embargo *exceptions* for China at their "national discretion" than they can *for* other Communist destinations. However, other issues at next month's CoCom session may get tangled uo with the China problem.

The U.S. Defence Department apparently wants to raise again *its proposal* that CoCom, presently composed of middle level diplomats and technical experts supported by a tiny multinational staff, should be given a military *committee to* pronounce on the military potential of industrial technologies.

This idea was shot down a couple of years ago by the Europeans and Japanese, who *feared* that it would upset CoCom's delicate balancing act between political, strategic and *trade interests.*

The one proposal which is likely to be agreed without dispute in *Paris* next month *is* to make the CoCom embargo list subject to "continuous review." Hitherto, CoCom has updated its list every three years,

Brazil, EEC in talks on steel next week

By Andrew Whitley

AFTER NEARLY three years of hesitation and delays, Brazilian negotiators will sit down with *EEC officials in Brussels next* week to discuss a voluntary steel export restraint agreement.

Failure to achieve an agreement could lead to the extension of anti-dumping and anti-subsidy suits against Brazilian steel entering the EEC

The volumes involved are relatively small—Brazil's exports to *the EEC last year only* amounted to 3 per cent of the 6m tonnes it exported world-wide—but the negotiations are expected to be difficult.

The EEC is believed to be seeking a restraint agreement on the lines of that concluded by Brazil last month with the U.S., its major steel customer.

Under this pact, Brazil agreed to limit for the next five years its exports of finished products to 0.8 per cent of the U.S. market—equivalent to 800,000 tonnes a year—and was permitted to ship a *further 700,000* tonnes of semi-finished products.

Cool reception in U.S. for Japan's home computers

BY LOUISE KEHOE IN SAN FRANCISCO

JAPANESE personal computer makers have arrived in the U.S. too late to take advantage of the fast-fading home computer boom.

The long-feared invasion of the U.S. by low-cost Japanese home computer makers finally *happened this week with the* display by a dozen Japanese firms of MSX models at the Consumer Electronics Show in Las Vegas.

More than a year later than expected, and after their introduction in Europe, the Japanese computers were given a cool reception. U.S. manufacturers used to fear that the Japanese consumer electronics successes of the calculator, digital watch, television and VCR markets would be repeated in home computers, but this is unlikely to *happen.*

The MSX computers are "too little, too late," said industry analysts. "U.S. consumers are no longer willing to settle for *low-performance game-playing* computers," said Mr Egil Juliussen, chairman of Future Computing, a market research company.

The Japanese groups, including Sony, Yamaha, JVC, Hitachi, Sanyo, Casio and Matsushita, declined to say when, or even if, their products will become available in U.S. shops. However, Microsoft, the U.S. software company that created the MSX operating system used in the Japanese machines, predicts that more than 200,000 units will be sold in the U.S. next Christmas.

● Samsung Semiconductor and Telecommunications of South Korea has developed a 256 kilo*bit dynamic random access* memory chip which it plans to begin marketing worldwide in April, Reuter reports from Seoul. The company invested Wong 180bn (£188m) in a plant, scheduled for March 1985, completion, capable of annual production of 60m of the chips.

South Korea will become the third 256k chip producing country after the U.S. and Japan, as a result of the project.

Oil found in South China Sea

BY DAVID DODWELL IN HONG KONG

A U.S.-Italian oil exploration venture, known as *the ACT* group, has found "a certain amount of oil" in the South China Sea. Officials do not yet know whether the strike will be *commercially viable, but it provides* a significant boost at a time when China is planning to invite foreign oil companies to join a new round of bidding to explore in the area.

Since oil exploration began in earnest along China's southern coast about two years ago, there have been just two previous strikes—a gas find and a modest oil discovery. Early hopes of major discoveries have been scaled down as exploration companies have drilled dry holes in what they thought would be the most promising areas.

Because of these disappointments, *China's National* Offshore Oil Corporation (Cnooc) is expected to relax the terms under which oil companies will be allowed to search for oil. *Only 26 groups are understood* to have applied to bid—compared with 33 when the first round of bids was invited two years ago.

Mr Richard Stallings, *chairman* of the ACT venture, said in Guangzhou yesterday that the group had found the oil while drilling in the Huizhou fracture, southeast of Hong Kong. He said evaluation was in progress, and that a statement could be expected around the end of January.

The company, a joint venture between Agip of Italy and Chevron and Texaco of the U.S., is drilling with a Chinese partner, the Nanhai Oil Company.

According to oilmen returning from Huizhou, oil was struck two weeks ago. Some of it is *being brought to the surface* and flared for about six hours a day, they say. Officials from Nanhai Oil are reported in China as claiming that the oil zone that has been struck is about 100 metres deep—enough to sustain a commercial well.

Over the past year, 27 companies have been exploring off China's coast. Only Atlantic Richfield, which struck gas south of Hainan Island, and Exxon, which is drawing 3,200 barrels of oil a day from a well drilled in the Pearl River Basin, have made worthwhile discoveries. Total Chine, which began

HK insures larger volume of exports

THE Government-owned Export Credit Insurance Corporation (ECIC) insured goods worth HK$4.69bn (£521m) in fiscal 1984, up 20 per cent from a year earlier, Mr Eric P. Ho, the territory's secretary for trade said, AP-DJ reports.

Mr Ho told Hong Kong's law-making legislative council that the ECIC issued 1,490 policies in fiscal 1984, 133 more than in the previous year. He said about 60 per cent of those policies were issued for exports *bound for Europe* while about 21 per cent were issued for North America-bound goods.

The ECIC offers exporters insurance against the risk of non-payment by overseas clients for Hong Kong-made goods and services sold on credit.

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UK NEWS

Hong Kong group to make yarn in Ulster

A HONG KONG company, the first to set up in Northern Ireland, is to create 60 jobs in a linen yarn spinning operation near Belfast. The Cha Organisation, an international manufacturing and trading group, will begin production shortly in a vacant mill at Doagh, County Antrim.

Although small, the investment is an encouraging reward for the Northern Ireland Industrial Development Board. It has been seeking to attract Far Eastern industrialists to the province and in November it signed up its first Japanese factory.

The new company, Texlin Yarns, will export most of its output to the Far East and Europe, where it will be woven or knitted for a range of garments for the U.S. and Japanese markets.

☐ **TIGHTER** rules are to be issued by the Government on the use of methyl isocyanate, the chemical involved in the explosion at Bhopal, India, late last year in which 2,500 people were killed.

Mr Ian Gow, Environment Minister, told the House of Commons that the chemical was stored at five industrial sites in the UK. All locations had been inspected and declared safe. A wide-ranging inquiry was being undertaken into the siting of plants manufacturing and storing toxic materials, he added.

☐ **THORN EMI** has had a major success in attracting new finance for making British films. A new film fund launched in December has already raised most of the money it needs.

Ten British financial institutions, only two of which have invested in films before, have come close to meeting Thorn Screen Entertainment's target of £16m. The company will not say exactly how much money has been raised but the response has been so encouraging that Thorn plans to top up the fund itself to ensure that it goes ahead.

☐ **THE GOVERNMENT** is considering legislation to curb local authority spending on "political propaganda" Mr Kenneth Baker, the Local Government Minister indicated in the House of Commons.

He described as "scandalous" the level of council spending on political publicity including £10m by the Greater London Council and £3m by the six metropolitan county councils.

☐ **ROLLS-ROYCE** is challenging a £600,000 VAT bill on a £3.9m ($4.5m) aero engine which it exported last autumn and brought back to Britain for minor repairs.

It says that new VAT regulations make no allowance for goods brought into Britain for repair or processing even though the goods are not for sale in this country.

☐ **HOUSE** prices in the UK rose at a faster pace last year than in 1983 according to the Halifax, Britain's largest building society. The society's house price index went up by 9.1 per cent compared with 7 per cent the previous year.

☐ **DAIMLER-BENZ** of West Germany was yesterday named winner of the 1985 European Truck of the Year for its LN2 range of 7.5 to 11 tonne lightweight delivery vehicles. The award was made in the UK by a panel of 13 European commercial vehicle journalists.

☐ **CONSUMER** protection laws being proposed by the European Commission could lead to higher prices and less choice in the shops, the Confederation of British Industry and Advertising Association said.

The two bodies are concerned about a number of new proposals including laws on product liability, consumer credit, door-to-door selling and contract terms.

☐ **MOST CONSUMERS** are gloomy about economic prospects for the UK in general, but optimistic about their own rise in living standards this year, a survey by Marketing magazine says.

Seizure expected of miners' funds in Luxembourg

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEGAL SEIZURE is expected shortly of the £4.6m funds of the National Union of Mineworkers (NUM) which are held in a Luxembourg bank.

The seizure will be a further blow to the union's attempts to sustain its 10-month strike. Another 305 miners are said by the National Coal Board (NCB) to have abandoned the strike yesterday, bringing the total this week to about 2,000.

The NUM's executive will meet in Sheffield, Yorkshire, today to consider calls both for a resumption of negotiations with the coal board and for the expulsion from the union of its Nottinghamshire area, which has mostly worked throughout the dispute.

Mr Michael Arnold, the receiver appointed by the High Court to take control of the NUM's funds after the union's failure to pay a £200,000 fine for contempt of court, is expected to announce soon that efforts to obtain the £4.6m moved by the NUM to Luxembourg have finally been successful. The money is deposited with Nobis Finanz International.

Mr Arnold, senior insolvency partner in the chartered accountants Arthur Young McClelland Moores, has been working closely over the past few weeks with the High Court-appointed sequestrators, Price Waterhouse, to try to obtain the money – which amounts to half the NUM's total worth.

The receiver previously appointed by the court, Mr Herbert Brewer, a solicitor, ran into legal difficulty when he attempted, to reclaim the money.

Seizure of the funds, which reached Luxembourg through a lengthy and secret process via the Isle of Man, Dublin and New York, will be an important psychological and practical blow against the NUM leadership

Working miner's leaders feel that the payment of the NUM's contempt fine, which would occur as soon as the funds are obtained, and the seizure of the funds themselves, are likely to accelerate the return to work. The fine was imposed on the union for defying injunctions not to call the strike official.

The working miners also feel the seizure of funds is likely to hamper picketing activities.

● THE FORD Motor Company could become the first car manufacturer to be hit by a dispute arising from the miners' strike, David Goodhart writes.

Ford management has approached the unions at its biggest works at Dagenham, east of London, because it wants to bring in fresh supplies of coal which have been formally blacked by the joint works committee since the start of the strike.

FT disruption averted by conciliation move

BY DAVID GOODHART, LABOUR STAFF

INDUSTRIAL DISRUPTION in the machine room at the Financial Times was avoided last night after the company agreed to a request from Acas, the Government supported conciliation service, not to print one of the disputed larger newspapers.

Company representatives will today attend talks at Acas with officials from the National Graphical Association (NGA) print union to try to resolve the conflict over bigger papers. If there is no agreement the prospect of disruption will arise again next Monday night.

Talks at Acas will be under the guidance of Mr Andy Kerr, a former chief conciliation officer, one of whose recommendations ended the 10-week machine room strike in 1983 which is at the centre of the present disagreement.

A crucial recommendation was that for every bigger paper over 157 40-page plus issues, the 25 NGA machine managers should receive an extra two shifts, and the 78 Sogat machine assistants should get £80 a night – the equivalent of one extra shift.

This formula has a built-in problem. Because Sogat was offered money and the NGA shifts it was set to undermine a 12.5 per cent differential between the skilled NGA members and the semi-skilled members of Sogat.

In August 1983 that was not considered a problem because it was believed that a Joint Press Agreement would be negotiated and iron out such problems. But no agreement has so far resulted and the FT "downpaged" to avoid the differential problem.

N. Sea blocks attract 52 cash bidders

BY DOMINIC LAWSON

THE GOVERNMENT said yesterday that 52 companies had put in cash bids for blocks auctioned in the ninth round of North Sea licences.

Some surprising names have cropped up in the list supplied by the Department of Energy, which refuses to specify the successful bidders or the size of the individual bids.

It is believed that the Japanese company Sumitomo has made its North Sea debut, with a successful bid of £11m jointly with Conoco and Enterprise Oil, for the block 9/8B which lies next to the Bruce oil field.

One of the most sought after blocks, 16/18C, is believed to have gone to a £19m bid, offered by a consortium comprising Marathon, Clyde Petroleum, Burmah Oil, and Transworld Petroleum. An unknown consortium has bid £25m for the auction block 15/8B. The most likely bidder is thought to be Shell, since it operates the nearby Galley oilfield.

The Government will not be announcing the successful bidders until the end of the month. Yesterday it also gave the names of the 134 companies that applied for discretionary blocks, in which no cash is offered, and the Government can award the blocks as it chooses.

● Marathon Oil yesterday announced that it has found more oil in its North Sea block 16/7A. The well flowed light oil at rates between 1,000 and 4,228 barrels per day.

The UK companies Britoil and Sovereign Oil are also involved in the discovery, which lies close to the block 16/8B, for which Marathon has just led a successful ninth round bid of £19m.

Gas flows from Britain's first offshore field outside N. Sea

BY MAURICE SAMUELSON

THE FIRST natural gas is flowing ashore from the Morecambe gas field which is being developed by the British Gas Corporation at an estimated cost of £1.3bn.

The field, 28 miles west of Blackpool, on the north-west coast of England, is Britain's first offshore source of gas outside the North Sea. Discovered by the corporation in 1974, it is one of the biggest gas fields on the UK continental shelf.

Its reserves of 5 trillion (million million) cu ft are expected to last 40 years and it will eventually meet up to 15 per cent of the country's peak demand. But Mr Bob Evans, chief executive of British Gas, insisted yesterday that it in no way lessened the need to import gas from Norway's big Sleipner field.

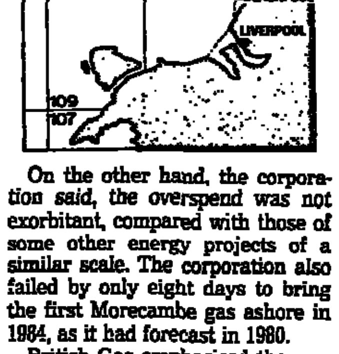
Mr Evans, while claiming to be hopeful of government approval for the Sleipner deal, admitted to being "disappointed that it was not picked up with alacrity many months ago."

The corporation announced the first gas flow yesterday from the Morecambe field at a hastily called press conference. It said that the first two wells had started producing at the rate of 120m cu ft a day, a tenth of the quantity expected by the end of the decade.

Mr Evans and other senior British Gas executives admitted the difficulties as well as the achievements encountered so far. Several reasons were given for the fact that the development cost is now put at £300m more than the target £1bn.

Although the sea over the Morecambe field is only 100 ft deep, its rapid currents and high tides meant that the offshore structures had to be heavier than those in the southern North Sea gas fields. The corporation used unusual techniques such as drilling at a slant – claimed to be the first time this has been done in European waters – and jack-up structures.

The Cammel Laird accommodation vessel, built at Birkenhead, was to have been delivered a year ago under a £20m contract. However, it has only just sailed to Brest in France to be fitted out. British Gas has had to spend £15m on hiring an alternative vessel from Norway.



On the other hand, the corporation said, the overspend was not exorbitant, compared with those of some other energy projects of a similar scale. The corporation also failed by only eight days to bring the first Morecambe gas ashore in 1984, as it had forecast in 1980.

British Gas emphasised the project's impact on the economy: some 80 per cent of the work had been carried out by UK companies and 100 per cent of the fabrication of offshore structures was handled in British yards.

JOBLESS 'MORE LIKELY TO BE ILL AND DRINK HEAVILY'

Unemployment taking a heavy social and financial toll

Reports by Robin Pauley

UNEMPLOYMENT is beginning to have serious social as well as financial implications for the 3.1m people in Britain without jobs. They are more likely to be ill and more likely to drink heavily, according to the Government's own statistical evidence.

The 1985 edition of Social Trends, the Central Statistical Office's annual compilation of the changing pattern of British life, shows unemployed men aged 45 or over are more likely than working men of similar ages to report long-standing illness.

The report says that part of the problem may be that the chronic sick may be more likely to lose their jobs or that the experience of unemployment itself is leading to ill health.

Although unemployed men have much less money than working men, they are more likely to be heavier drinkers in all age categories. Heavy drinking is particularly prevalent among the unemployed in the 25 to 44 age group, where 43 per cent of men drink a lot compared with 28 per cent of working men. On the other hand twice as many unemployed men in the 18 to 44 group abstained from alcohol as working men.

There has also been a rapid increase in drug taking, although there is no breakdown between working and unemployed people. The number of new narcotic drug addicts notified to the Home Office more than quadrupled between 1976 and 1983. Between 1982 and 1983 alone the number rose 50 per cent among the young. The proportion of drug addicts on heroin has continued to rise steeply each year, reaching 85 per cent in 1983.

Suicide has also been rising. The total of 5,000 in 1983 was a fifth up on 1975. Many more men than women take their own lives.

By April this year nearly a fifth of all unemployed men had been out of work for between one and two years and a further quarter had been without work for more than two years. The number of benefit claimants who had been unemployed for more than a year increased 15 per cent between April 1983 and April 1984, whereas total unemployment rose only 2 per cent in this period.

A quarter of young unemployed men between 16 and 24 had been unemployed for more than two years and another 37 per cent had been without work for between one and two years in April 1984.

Social Trends, 1985 Edition, HMSO £19.95.

Population rise of 1m forecast

THE UK population is expected to start growing again shortly with the result that, after several static years at 56.3m people, it will reach 57.2m by the turn of the century.

After years of a falling birth rate which left the average number of children in a family at under two – too low to replace fully the losses through migration and death – the average is expected to return to about two, according to the Social Trends report.

About 90 per cent of the population live in urban areas even though there has been a substantial movement out of the big towns and cities since the early 1970s.

Throughout Europe population growth since 1970 has generally been small with a few notable exceptions – the Netherlands up by 9.1 per cent and France and Italy both by more than 5 per cent. The U.S. population grew by 13.3 per cent over the period to 233.7m and Australia's by nearly 20 per cent to 15.4m. There are two Australians and 25 Americans per square kilometre compared with 231 people in Britain, 320 in Japan and 352 in the Netherlands.

The number of new residents in Britain continued to increase, rising from 196,000 in 1973 to 202,000 in 1983. Fewer came from the old Commonwealth and more from Bangladesh, India and Pakistan.

Fewer people are marrying in the UK – there were 387,000 marriages in 1982, a drop of 3 per cent on the previous year. Just over a third of all marriages was a remarriage for at least one partner. About 20 per cent of the 162,000 divorces involved at least one partner who had been divorced before (compared with only 9 per cent in 1961).

The proportion of illegitimate births has risen substantially – up from 6 per cent in 1961 to 16 per cent in 1983 – representing a rise from 48,000 babies to 99,000.

Disposable income up 10%

DURING the decade from 1973 Britons received a smaller proportion of their spending money from work and a larger proportion from social security benefits.

Total household disposable income was 10 per cent higher in 1983 than in 1973 after allowing for inflation, the Social Trends report says. The share of this income represented by income from wages and salaries fell from 67 per cent to 62 per cent, having peaked at 69 per cent in 1975. The share of income from self-employment fell from 11 per cent to 7 per cent. But the share from benefits rose from 9 per cent to 14 per cent.

Among manual workers, coal miners were the highest paid group every year between 1973 and 1983 and agricultural workers were the worst paid.

The number of people receiving unemployment benefit doubled to 1.1m between 1979-80 and 1982-83 and the numbers on supplementary benefit (including the unemployed once their unemployment benefit ran out) rose from 1.2m to 2.8m over the same period.

The report shows that virtually no progress has been made since 1977 in alleviating the "poverty trap," which minimises the effect of pay increases for low-earning families because of rising tax and decreasing eligibility for benefits. In 1977 500,000 people were living in families below the supplementary benefit level (£20.65 a week in 1977 for a married couple). By 1979 the number had fallen slightly to 480,000 but buy 1981 it was up to 680,000.

The differentials between the poorest and richest households remains very large. In 1982 the bottom-fifth of all households had a net income (after benefits and tax) of £3,220 a year against £12,260 a year for the top fifth.

Housing and land were among the few forms of marketable wealth which kept pace with inflation in recent years. In 1982 the richest 5 per cent of the adult population owned 41 per cent of marketable wealth, but only 24 per cent of all wealth including all pension rights.

● During the past decade those people in the UK who managed to stay in employment, surviving the impact of the 1974 recession and the much deeper decline of 1981, saw their incomes and living standards advance consistently.

In 1983 a married man on average earnings had to work for seven minutes to earn the price of a large loaf, a minute less than 1971, and 52 minutes for a pound of rump steak, a saving of two minutes on 1971. A bottle of whisky took 4 hours 17 minutes to earn in 1971 but only 2 hours 20 minutes in 1983.

More time had to be worked to pay for some items: for expample, petrol, beer, cigarettes, and domestic gas and electricity. In money terms £6.57p was needed in 1983 to buy what could be bought for £1 in 1961.

Eating habits are changing: more pork, poultry and margarine are being consumed and less beef, veal, mutton, lamb and butter.

Video recorders have become the great new consumer success story. Some 18 per cent of households had one in 1983, representing about 3.5m machines.

The proportion of households with a telephone rose from 25 per cent in 1964 to 78 per cent in 1984, when more than 22bn calls a year were being made, double the 1970–71 total.

Domestic coal-burning fires are still the main contributor to smoke emissions. Cigarette smoking continues to decline rapidly among men and woman of all socio-economic groups except unskilled manual women. Only 38 per cent of men and 32 per cent of women smoked in 1982.

TECHNOLOGY

EDITED BY ALAN CANE

AGREEMENT ON TECHNICAL STANDARDS IS REACHING A CRUCIAL STAGE

Ground rules for TV from space

BY PETER MARSH

ELECTRONICS and satellite companies in the U.S. are nearing agreement on technical standards for the transmission on a commercial basis of TV programmes from space vehicles to roof-top aerials.

The first fully commercial services that feature direct-broadcast TV from high-power satellites are due to begin in a couple of years. After a period in which several big companies dropped out of the race to begin direct broadcasting, the enterprises still planning services are keen to finalise discussions on standards by the summer.

If agreement is not reached, consumers who wish to tune into broadcasts from the heavens will probably need different receiving equipment to collect signals from different satellites. This could greatly increase costs and destroy a fledgling business before it has time to gain strength.

The most urgent requirement is to settle on a standard to characterise the way signals are sent from space and unscrambled in the TV receiver. The satellite and electronics industry has reviewed two contending sets of standards.

The first is based on the NTSC format by which conventional TV pictures in the U.S. are sent. To institute a standard of this kind would require relatively few modifications to receiving hardware.

But there is some agreement that a more sophisticated format, based on a so-called MAC standard, would be preferable. Signals coded in accordance with such standards lend themselves more easily to digital processing at the receiver. In a MAC format, the chrominance and luminance components of a TV picture are carried in separate signals while under the NTSC regime they are merged together.

A leading contender for the direct-broadcasting standard for the U.S. is a version of the MAC format called B-MAC, proposed by Scientific Atlanta, a maker of electronic receiver equipment. In Britain (where much of the development work on MAC standards took place) engineers favour another form called C-MAC.

Other companies that have proposed various versions of standards include Texas Instruments, Telease, General Instrument and ANCOM (a joint venture between Alcoa, the aluminium company, and Nippon Electric of Japan).

Mr Dennis Brownlee, chairman of the U.S. Direct Broadcasting Satellite Association, says the "jury is still out" on which standard to adopt. But he says the satellite and electronics industry (which form the membership of the association) generally agree that an accord is needed quickly.

This is to permit electronics concerns enough time to start production lines for TV receivers prior to the start of the direct-broadcast services probably in 1987.

Mr Brownlee is vice-president of U.S. Satellite Broadcasting, one of three companies with definite plans to launch direct-broadcast TV vehicles. The company is due to orbit its two satellites, to be built by RCA, in 1988.

First into the fray is likely to be *Dominion Video Satellite* Corporation, which plans to beam to homes from 1987. The third contender is Satellite Television, a subsidiary of Comsat.

Direct Broadcast Satellite Corporation, a fourth company, has placed orders with Ford for two satellites due to enter orbit in three years. But it has encountered a snag in obtaining permission from the U.S. Federal Communications Commission to put the vehicles in the geostationary orbit 36,000 km above the earth. The enterprise has until April to satisfy the commission on the financial arrangements for running a full scale service.

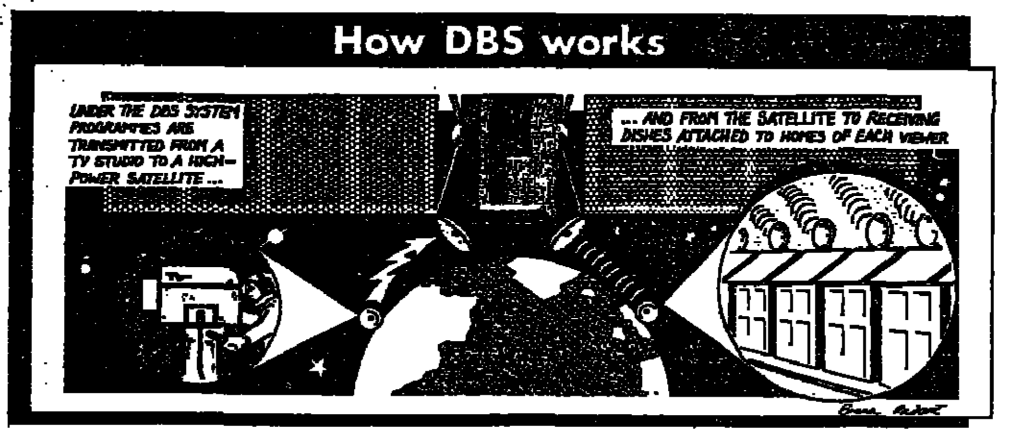
Several other companies have told the FCC they would like to start satellite services. They are Hughes Communication Galaxy, Satellite Syndicated Systems, National Christian Network, Advanced Communication Corporation, Satellite Development Trust and National Exchange Corporation.

Among the concerns that, after announcing plans to begin TV-satellite services, have pulled out of the race are CBS, Graphic Scanning and Western Union.

The cost of the receiver equipment — a "black box" to unscramble signals plus a dish aerial about 60 cm in diameter—will be a crucial factor in determining how many people decide to receive the signals. Industry observers think the hardware will initially cost $300 to $600.

The FCC has an important role in assigning to the satellite companies specific locations for their vehicles. Under an international agreement, the FCC has at its disposal eight positions in the geostationary belt that serves North and South America. From each position, one or more satellites can radiate up to 32 channels of TV.

The most popular sites are the positions that serve the central areas of the U.S. — at longitudes 101, 110, 119 and 148 degrees West. Places in these sites have been snapped up by Dominion, U.S. Satellite Broadcasting, Satellite Television, Hughes and Direct Broadcast. (The latter two companies have reservations pending final orbital assignment.) There is still room in these locations for further *satellites—while* the other U.S. positions, at 61, 157, 166 and 175 degrees West, are currently vacant.



THE STANDARD for TV broadcasting by satellite under discussions in the U.S. is linked by a circuitous route to pioneering work in Britain during the late 1970s.

Engineers at the UK's Independent Broadcasting Authority finished work in 1981 on what is generally acknowledged as the first technique to transmit TV pictures by a system known as MAC (short for multiplexed analogue component).

The British Government favours a form of this known as C-MAC. A version of the standard will probably be used for the UK direct-broadcasting satellites, due to be launched in 1988 or 1989. Other European countries such as France and West Germany prefer another type of MAC standard, D-MAC.

The format gaining ground in the U.S., known as B-MAC, differs from the others in the way it encodes audio information. It also transmits pictures in the 525-line standard used in the U.S. as opposed to the 625-line system of the UK.

DVS, a small company in Canada, bought the know-how to produce a MAC format from the IBA in 1982. Dr Keith Lucas, a leading IBA engineer, subsequently joined the company. Later Scientific Atlanta of the U.S.—which is leading the campaign for B-MAC as the official American standard—took a controlling interest in DVS.

In a MAC format, information about both the colour content of a picture (chrominance) as well as the black - and - white element (luminance) is squeezed into one channel of a radio signal by time-division multiplexing. The two sets of information are inserted into different "packets" of analogue-coded data that are transmitted in pulses using the same frequency.

Audio signals can also be sent sequentially along the same channel by putting them into similar packages.

The system breaks with conventional techniques for transmitting TV, which use frequency - division multiplexing. In these standards (PAL and SECAM in Europe and NTSC in the U.S.), the frequency of a radio channel is subdivided, by mechanisms such as harmonic locking oscillators. These subdivided channels carry information about chrominance and luminance.

MAC formats offer several advantages. As the chrominance and luminance signals are sent in their own separate data packets, the technique reduces the risk of "cross-colour" effects

MAC is more suited to digital processing at the receiver. The MAC process is thus better matched to modern electronic equipment, which by computer processing techniques may be *required to perform* a variety of tasks (for example, to unscramble a coded signal or to route the transmitted information to a computer) besides displaying a picture to a viewer.

A MAC standard is also appropriate for satellite broadcasting. With this type of broadcasting hardware, engineers seek to keep to a minimum the power levels of transmitted signals. Extra power means heavier, bulkier equipment — which increases *the costs of the satellites*

The MAC technique lends itself to frequency-modulation, which requires less power than the amplitude modulation generally employed to code TV broadcast terrestrially.

ARTIFICIAL INTELLIGENCE

'Decision robot' comes a step closer

EXPECT a rush af expert systems to solve all sorts of problems in 1985. These computerised decision aids are coming *out of the laboratory* and finding their place in the business world.

One of the more interesting UK products is PDS — the Priority Decision System — developed by Work Science Associates (WSA) of Highgate, London.

It combines the notion of a decision support system—which delivers up useful information in useable form—with the basic expert system idea of artificial intuition.

According to WSA no computer or mathematics knowledge is needed and the system provides answers quickly. It *appears to operate by calculating* the weighting to be given to different options and by sorting out logical contradictions in arguments.

One manager said: "It's probably not what it's meant for but I use it to save mental energy when time is at a premium. It avoids delays, disputes and a lot of anxieties and pointless arguments."

It costs £394.40 to run on the IBM PC, £294.40 on the Apple II or III. WSA is on 01-348 5822.

COMPUTING IN HOSPITALS

Appointment making

COMPUTERS have come to the aid of dentists at the London Hospital Medical College. More than 120,000 patients pass through the Dental School and hospital each year which involves a great deal of information which needs to be filed away.

The hospital has installed a network of 47 Torch computer workstations which links the five floors of the buildings. The system is mainly used by students who log into the network each day to be given details of their workloads, patients expected, lecture information and other diary dates. This helps a student compile his own patient list and arrange his daily schedule in the most efficient way.

Mr Stuart Morganstein, director of the Dental Auxiliary School at the hospital started looking for a suitable system about 18 months ago and found that most computer networks on offer were "incredibly expensive."

Torch Computers was cheaper because it is bsically a business computer based on the BBC B microcomputer. The installed system was also quickly accepted by students who usually took only one week to obtain a grasp of the computer.

In a week during the operation of the pilot system 250 students made 1,000 appointments on only three terminals then available.

CONSTRUCTION

Locating pipes

VIRTUALLY ANY kind of buried service pipe or cable can be located and traced using multi-technique equipment developed by Electrelocation of Bristol.

The idea is to provide engineers and technicians in utilities and municipal authorities, civil contractors and others with a single instrument able to solve location and fault finding problems as fast as possible.

Known as the RD600, the equipment can work at four frequencies (1, 8, 33 and 130 kHz) which it can apply singly or simultaneously either by direct connection to some point on the pipe, or by induction using a toroidal-coil clamp.

Pipes or unloaded electrical cables will radiate the signals which can be picked up by the RD 600. The best frequency for a particular situation is found by a simple test using the portable transmitter and hand-held reciever.

In addition, the instrument can trace loaded mains cables by picking up the radiated 50/60 Hz field. More on 0272 839581.

Finance

Eurobonds dealing in London

IBJ INTERNATIONAL, the London - based subsidiary of the Industrial Bank of Japan, is spending £400,000 on a computer - based Eurobonds dealing system.

Supplied by Holland Automation International, the system will be capable of automatic data entry. This is achieved by a magnetic stylus on a digitised tablet which is provided at each dealer position. The system is run on a fault tolerant computer system to ensure continuous operation.

The dealing system can also transfer information to the bank's central computer. The main computer is linked to a network of more than 30 IBM personal computers which are also linked to a central database.

Storage

Computer tape conversion

WITH THE new emphasis in professional personal computing on sending and receiving data from an organisation's mainframe computer, Digi-Data has announced a half-inch streaming tape drive and controllers which allows users of IBM and compatible personal computers to read, generate and transmit industry standard half-inch tapes on an industry standard 2,400 foot tape reel.

The cost of the system is less than £4,000 and it can unload the entire contents of a 10-million byte hard disk in less than three minutes. More on 0628 29555.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9½%
Amro Bank	9½%	Hong Kong & Shanghai	9½%
Henry Ansbacher	9½%	Johnson Matthey Bkrs.	9½%
Armco Trust Ltd.	10½%	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	9½%	Mount Credit Corp. Ltd.	9½%
Bank of Scotland	9½%	National Bk. of Kuwait	9½%
Banque Belge Ltd.	9½%	National Girobank	9½%
Barclays Bank	9½%	National Westminster	9½%
Beneficial Trust Ltd.	10½%	Norwich Gen. Tst.	9½%
Brit. Bank of Mid. East	9½%	People's Tst. & Sv. Ltd.	10½%
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The Cyprus Popular Bk	9½%	Whiteaway Laidlaw	10 %
Dunbar & Co. Ltd.	9½%	Williams & Glyn's	9½%
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‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
¶ Mortgage base rate.
§ Demand deposits 6%.
** See Provincial Trust Ltd

THE MANAGEMENT PAGE: Marketing and Adv ertising

EDITED BY CHRISTOPHER LORENZ

Making engineering a dream

Feona McEwan reports on the surprising success of a low-budget advertising campaign

PICTURE the scene: young lad lolling on hillside, daydreams of the good life to come. Will he be prime minister? An ace tennis player perhaps? Or possibly a brilliant doctor. . . . Beneath the image, the line: "He wouldn't dream of being an engineer, of course."

This press ad and the two that followed from the Engineering Council on a shoestring budget of £140,000 (peanuts in advertising terms) has drawn more attention than the most enthusiastic adman might have hoped for.

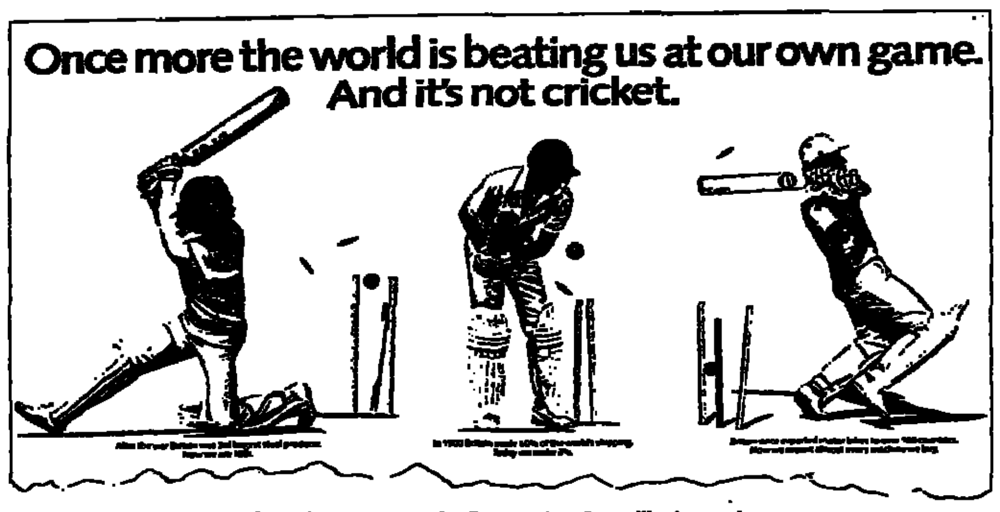
For some reason, engineers have never fared well in the status stakes in the UK. There are those who still think of them as little scientific boffins or the *chaps who fix the phone.* Ad agency Wight Collins Rutherford Scott, which devised the recent compaign, found ignorance and apathy rife in its initial research. Few people, it appears, know what engineers do, and even fewer care. In the UK at least, engineering is mighty short on "glamour."

In its regard for the engineering fraternity, the UK lags behind other major industrial powers. In Japan, for instance, which turns out 10 times as many engineering graduates, engineers are said to rank in *status alongside doctors* and lawyers. The U.S. is similar.

If engineers have been negligent in beating their own drum, the emergence in 1982 of the council (which draws togeher 51 disparate professional bodies with the aim of promoting and developing the profession and its applications throughout industry and which represents 300,000 practitioners) shows they are at last learning how.

Dr Kenneth Miller, director general of the council, has said: "Most people do not realise how important engineering is to the creation of the wealth of the country and, equally as important, the creation of jobs. Or how seriously our manufacturing base is threatened by the lack of attention paid to engineering and engineers."

Given the low budget available, *the campaign went for its* impact with three ingeniously devised and quite different ads. Besides the daydreaming boy, there's an ad showing an interior view of Westminster Abbey featuring a marble statue with the line "Why is'nt there an Engineers' Corner in Westminster Abbey?" The third ad, part of which is illustrated above, shows nine cricketers being bowled - out—beneath each, a painful fact recording the UK engineering industry's demise.



A section of one of the Engineering Council's three ads

All three ads take as their starting point the familiar story of that peculiarly British malise that historically finds its workers setting the pace by its inventions or its dominance only to lose momentum at the first whiff of competition. Some examples from the cricketing ad:

Britain pioneered the world *machine tool industry, now* its share is 3.1 per cent; the UK once made all the textile *machinery in the world, now it* makes 8 per cent; the UK was the world's third largest steel producer after the Second World War, now it's 10th; once the UK exported motor bikes to over 100 countries, now most of what it buys are imported.

Readers of the Times, Telegraph and Observer, were subjected to such facts in the council's short advertising campaign was the first for the profession as a whole and early results are higher encouraging. It was primarily an awareness campaign aimed at alerting opinion-formers of the crisis and of the existence of the council and its aims.

"The response has been beyond our wildest dreams," says Dr Miller who admits to an initial reserve about the execution of the campaign. The office was inundated with calls and letters. "Thank heavens someone is caring," was a typical response.

Though the campaign is only a first crack at the problem, the council is delighted with the response from all quarters — government (from Members of Parliament, including Sir Keith Joseph who publicily lauded the effort) educationalists and industry (schools and factories requested posters for display, and career information) and industrialists asked how best they could help.

The council believes its ad campaign and work in stimulating the education of high calibre engineers is essential in the face of the problem involved.

Miller cites "a most telling document" issued last summer from the Institute of Manpower Studies for the National Employment Development Council and the Manpower Services Commission.

Called Competence and Competition, it compared education and training in the UK with major rivals Japan, U.S. and West Germany. "It is a devastating indictment," he says. "Britain came bottom of the league."

One company that recognises the importance of engineers but which has problems locat*ing sufficient top talent is the* Jaguar car company. Chairman Hamish Orr-Ewing, who is also a council member, reports that in 1970 the company had an engineering force of around 170. As a major part of its recovery this has been built to 600 now. Yet this is still inadequate when compared with the competition and the company is seeking to increase its forte substantially. The problem is finding enough outstanding engineers.

Another council exercise was the publication of two booklets in 1983, of which 12,000 have been issued. The first, Appraising the Technical and Commercial Aspects of a Manufacturing Company, was directed at helping the City to understand the industry and the second *Technical Review* for Manufacturing, Process and Construction companies, urges companies to undertake regular technical reviews (like financial review) assessing the competition, growth of market share, use of technical expertise, strength of enginering force, and so on.

Board account director of WCRS, Claude Keith, reports that the agency's post-campaign research in a sample of 2,400 shows an increased level of awareness of the Council to 37 per cent among readers of the papers concerned and 28 per cent generally. Fifty-three per cent of readers and 67 per cent generally acknoweldged a lack of recognition for engineers as compared with sportsmen, literary figures and statesmen. Yet around 90 per cent *of all* those polled regarded engineering and technology as essential to wealth creation and the large majority felt Britain pioneered much and then lost out to competition. On the issue of whether they felt the government backed engineering and technology figures fell, surprisingly, to around 24 per cent.

Setting store in Spain

Tom Burns on prospects for Galerias Preciados

One of the Spanish retailing group's Madrid stores

SEVERAL things happened at once when Gustavo Cisneros, the head of a diverse and wealthy Venezuelan family holding called Organizacion Diego Cisneros (ODC), decided to buy the department store *chain Galerias Preciados from* the Spanish government early last month.

By Cisneros's own reckoning the move had provided ODC with a bridgehead in Europe. To judge from the wholesale relief felt by Spanish government officials the purchase of Galerias Preciados was something akin to manna dropping from the sky. And as far as Spaniards generally were concerned the prospect of a bruisig battle for the high street shopper—a virtually novel experience—generated intense curiosity.

Galerias Preciados consists of 27 large department stores located in all the main cities and is as familiar to Spaniards as the local bull-ring. More than mere high street landmarks, they were at their best the visible image of Spanish prosperity in the 1960s.

Galerias Preciados began to lose ground to El Corte Ingles, a rival retail chain, in the 1970s. Founder and chief mentor, Jose Fernandez, finally lost control to the investment bank Banco Urquijo and the bank in turn unloaded the increasing Galerias Preciados losses in 1981 to what at the time appeared to be a gilt-edged Spanish private holding, the Rumasa Corporation.

Within 18 months Rumasa, along with Galerias Preciados, *which had by that time incor*porated the Spanish subsidiary of Sears Roebuck, was expropriated by the Socialist Government on the grounds that the holding was on the verge of bankruptcy. The government set about reselling the Rumasa assets to the private sector, but while other companies in the group were snapped up, Galerias Preciados remained the ugly duckling that nobody looked at twice. Then Cisneros and his group came along.

While some observers talk of the Cisneros organisation taking on seemingly impossible tasks—indeed, those less sanguine than Gustavo Cisneros say that ODC has been given, as the Spanish colloquial phrase puts it, "a poisoned sweet"—Cisneros remains undeterred and plans rapid changes.

Jorge Massa, Cisneros's brother-in-law, is flexing his muscles, studying in detail the Galerias Preciades figures and ordering a succession of market surveys. The re-naming of Galerias Preciados is under consideration; Massa is *undecided at present whether* the once legendary trade name in an asset or not. He is certain, however, that the direction the Spanish stores group must take is to emulate what its rival, Corte Ingles, does so well.

"We are a lousy second," says Massa, "and I want first to be a good second."

The Corte Ingles, according to Massa, currently sells on average Pta 450,000 (£2,200) per square metre a year against Pta 200,000 (£1,020) by Galeria Preciados. *Massa's information* is that Corte Ingles is making profits in the region of $28bn (£23.8bn) on a turnover of some $120bn (£102bn)—figures which he claims he could improve on if he was running the rival chain.

Massa wants Galerias Preciados to compete in the same range of goods as Corte Ingles for customers ranging from the "A" to "D" classifications. Corte Ingles carries everything from sophisticated computer software to antiques and from pots and pans and pin cushions to food halls and classy clothes boutiques.

Gustavo Cisneros likens his acquisition of Galerias Preciados to disembarking in Europe. His ODC properties in Venezuela range from supermarkets to television stations and, according to Madrid press reports, accounted for a forecast $9bn (£2.5bn) turnover this year. ODC had already penetrated Central and North America and the old continent was the next step.

A highly publicised visit by Cisneros to Madrid in early November, which included an audience with King Juan Carlos and a meeting with Prime Minister Felipe Gonzalez, heralded far more than the Galerias Preiados acquisition. Behind the *spectacular purchase,* the pomp and the protocol, the picture emerged of a South American tycoon, well-versed in U.S. business lore, elbowing his way into Europe and using Spain, a candidate member of the European Common Market, as a backdoor entrance.

Cisneros, 40, belongs by birth as well by marriage to Venezuela's extremely wealthy elite and was educated in the U.S. He has said that his ambition now is to become "the top retailer in Europe." His brother-in-law, Jorge Massa's mission is to turn Galerias Preciados round within five years.

Buying up Galerias did not come cheap. The sale price has not been disclosed but Cisneros is understood to have committed himself to picking up back tax, social security and pension fund payments owed by Galerias Preciados as well as debts to suppliers. Cisneros is understood to have paid Ptas 1.5bn (£7.65m) for a 100 per cent shareholding and a further Ptas 8bn (£40.8m) to cover part of the bank debt accumulated by the stores. The package is said by officials to be in the region of Ptas 25bn (£127m).

Massa estimates that about Ptas 5bn will now be injected into Galerias Preciados to begin to turn it round. The stores have been losing steadily and increasingly since 1979 and losses in the last financial year were a record Ptas 9.2bn (£47.9m) on a turnover of Ptas 58bn (£296m).

The sale of Rumasa assets has been negotiated in the past year by a special Finance Ministry committee with the First Boston Bank acting as brokers and sounding out interested parties. In the case of Galerias Preciados European groups were soon deterred from a possible acquisition by the sheer scale of the chain's negative balance sheet. It was not till the summer that officials and brokers started *casting* around for buyers in Latin America.

By the autumn, Cisneros's group was interested and, fortunately for the Spanish Exchequer, so was a second South American group—the Colombian retail chain, Sociedad Andina de Grandes Almacenes, which has stores in Peru and Ecuador as well as Colombia. The rival bidding was conducted in considerable secrecy.

Part of the current enthusiasm felt by Jorge Massa about his challenge is that big retail stores have still a long way to go in Spain. Galerias Preciados and the Corte Ingles, as well as smaller, but mushrooming, hypermarket department stores represent a share of the retail sector of some 7 per cent — less than half the average 15 per cent elsewhere in Western Europe.

For Massa it will be a challenge to spearhead yet another recovery, since he masterminded a similar operation in Caracas when ODC bought up 11 shops of the Venezuelan subsidiary of the Sears Roebuck group *a year ago.* Though a small operation in comparison with Galerias Preciados, Massa turned it from losses of Bolivars 60m at the time of acquisition in December 1983 to an expected profit this year of Bolivars 30m (£2.2m), changing its name to Maxy's in the process.

Massa denies any suggestion that Galerias Preciados represents a gamble by ODC. Half a dozen top executives of the Cisneros organisation are due to arrive to take up senior roles *for at least a five-year period.*

"We haven't come to Spain to make mistakes," says Massa.

JOBS COLUMN

An end to wilful discrimination

BY ALAN PIKE

THE YEAR has started less than happily for the Jobs Column's regular curator, my colleague Michael Dixon, who has fallen victim to a winter bug. But he joins me in extending New Year greetings to the column's *faithful followers.*

How about us all starting 1985 with a New Year resolution that there should be an end to unnecessary discrimination in the field of recruitment?

Some of those worthy anti-discrimination creeds included in recruitment advertisements by self-styled equal opportunity employers are so zealous that they read like a declaration of wilful discrimination against the average citizen. But the problem is real enough.

Michael had something to say about age discrimination last month, in the wake of reports that Hitachi was considering offering payoffs to employees over 34 at its South Wales factory.

References to age discrimination provoke some sombre personal reminiscences from *readers of this column.* A qualified engineer from Kent writes of how, after a career spanning four jobs in the engineering and construction industries, he was selected for early retirement. He tells of how he now works as a messenger and general assistant for an architectural practice on £4,000 a year.

"The way things are going, we professionals over 45 will only be considered fit to fill messengers' jobs in banks, insurance companies, estate agents, architects' practices *et al*," he writes.

Our correspondent at least has the consolation of knowing that—thanks to another form *of discrimination*—the qualifications of people considered fit to fill the sort of position he understandably regards as mundane are rising.

I meet school leavers of modest educational attainment who complain that jobs they would normally have sought are being closed to them by employers demanding increasingly high formal qualifications.

Rising youth unemployment has naturally led to more and more young people chasing every available job. Companies often get hundreds of responses to a *single advertisement.* But I suspect that their demands for O and A level certificates are sometimes more successful at shortening the application list than at producing the best candidate.

One of the most striking experiences of managers *running Youth Training Scheme* projects has been to watch the way some teenagers, who for a complex variety of reasons have not distinguished themselves in the classroom, mature and flourish in a working environment.

Many such young people are being retained in permanent jobs after their year on the scheme. But they would not have been able to make the initial application if YTS demanded the same formal qualifications from school leavers as some employers.

Good YTS schemes give employers a chance to take personal qualities of potential recruits into account. And there *is another group of victims of* recruitment discrimination who need powerful personal qualities in order to persevere in the search for work—the disabled.

Disabled jobseekers can expect to remain unemployed for twice as long as the able-bodied. This year there will be a big effort to persuade employers to give disabled applicants a fairer chance. A code of good practice has been produced with the support of the TUC, CBI and Manpower Services Commission, and ministers are reviewing the effective*ness of the legislation under* which employers with 20 or more workers are expected to employ a quota of registered disabled people.

Brian Swindell, head of the MSC's services for the disabled says senior managers are often genuinely keen to give disabled *people a fair chance among job* applicants. But the recruiting is done at a lower managerial level, where the good intentions go astray.

The code of good practice will be used in a campaign to convince employers that many disabled people are just as capable of normal work as anyone else

To conclude this list of groups facing witting or unwitting discrimination in recruitment and promotion, a word about a new Women and Work programme being run by Aston University Management Centre in Birmingham.

The initiative, which the university says is the first of *its kind in Britain, will offer* new training courses, a research programme and an advisory service for women and employers in the West Midlands. Its overall aim is to help women to develop their career potential.

The programme was launched recently at a workshop attended by personnel directors, training officers and managers of private and public sector organisations in the West Midlands. This business audience was told that the relative position of women in top *managerial positions is* worsening, in spite of a growing female workforce.

"We find that women are frequently not considered for promotion because assumptions are made about their lack of ambition, or inability to progress up to the *higher* ranks of management. Career paths are therefore effectively blocked," says Jane Skinner, director of Aston's post-experience programme.

The university launched the programme with a simple message to employers: "Open your eyes to a scandalous wasted resource within your organisation. A human resource—women." This, surely, is good material for a New Year resolution.

New Initiative gives work a human face

BY ALAN PIKE

NEW INITIATIVE is a small organisation set up by a group of people who are looking a *little further into the future* than the end of 1985.

They are trying to encourage the business world to look in new ways at the nature and future of work, and seek means of humanising employment.

The founders of New Initia*tive are Francis Kinsman, whose* book The New Agenda provided the initial stimulus for the organisation, Edward Posey, a business consultant and Liz Hosken, a stress-management adviser.

In spite of what the organisers accept is the somewhat unusual and abstract nature of their topic, they attracted a large audience from big companies to an initial seminar at the London Business School, and speakers including John Harvey-Jones, chairman of ICI and Sir Peter Parker, formerly of British Rail and now chairman of the Rockware Group.

The group has just completed analysing the results of the first seminar, and Mr Posey says it offers considerable support for his belief that industry and commerce must treat the human relations issues of employment far more seriously than in the past. He says he is particularly impressed by the extent to which managers of large companies are, against a background of high unemployment, taking the view that industry has a responsibility to the local community as well as its own immediate employees.

Further seminars are under consideration, and the New Initiative group is considering offering consultancy services to companies.

Professional recruitment show

PER, the Manpower Services Commission's professional and executive recruitment service, which has to operate on a full cost-recovery basis, has been busily marketing its services around the country.

Since September, a PER Roadshow has visited 42 towns and cities and staff have given presentations to representatives of more than 2,000 companies and other organisations.

There are still critics who say that PER—even though it has to pay its own way—need not exist. But the MSC is determined to continue offering specialist recruitment services among professional and managerial groups, and is aiming for around 9,000 placings in 1984-85.

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Please contact Norma Given

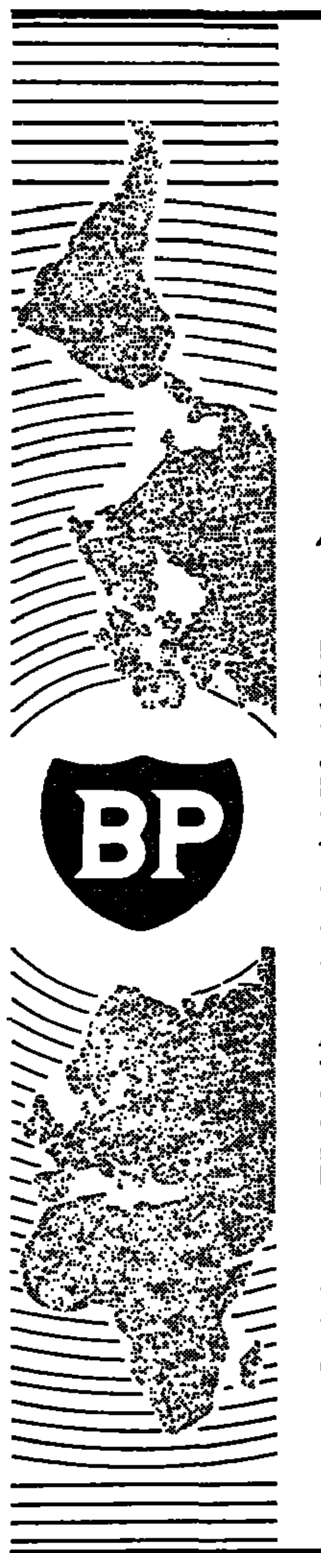
CAPITAL MARKETS £ NEGOTIABLE

As an integral part of our on-going client support activities we would be interested to meet Graduate, MBA, or Accountancy qualified, investment-banking/capital-market executives. Applicants will currently be involved in the mandate-seeking, administration, swaps or syndications areas, and the object of our meeting would be to discuss possible current and future career development opportunities within this rapidly developing sector.

Please contact Bryan Sales

Applicants are invited in the first instance to forward curriculum vitae, marked for the attention of the appropriate Consultant, to
Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX. Telephone: 01-623 1266.

Jonathan Wren
BANKING APPOINTMENTS



BP Finance International

Worldwide Financial Management & Planning for Britain's Biggest Business

BP Finance International is being set up to manage the finance business of the BP Group and to provide commercial and merchant banking services internationally for the Group's businesses and associated companies. The aim is to emphasise the key role of financial management in managing the total business.

The principal activities will be:

- Treasury, Banking and Foreign Exchange
- Corporate Finance
- Commercial Banking
- Financial Planning and Control

As a result of the establishment of this organisation, which gives a new dimension to financial operations in BP, several appointments have been created. They offer the opportunity of work on a global scale in one of the world's most influential businesses.

Credit Manager

Candidates, preferably in their mid 30's, will be expected to have a wide practical experience of balance sheet and general client analysis, which should extend not only to corporate, but also country risk. A background in trade financing techniques, including specialised loans, letters of credit, barter and insurance arrangements is required. It is expected that, in addition to a successful track record in these activities, candidates should have worked for several years in this field with a major international bank with worldwide representation. Ref: B/190a.

FX Dealers

Candidates for these career opportunities, probably in their mid 20's, will join an existing team of four full time dealers. They must have at least 2 years' experience of, and proven ability in, an active front-line foreign exchange or money market environment. Ref: B/190b.

Financial Planner

Candidates, probably in their late twenties, must have experience of the financial planning environment, and a 1st or upper 2nd class honours degree or post-graduate qualification in economics or business studies. The main duties will be to assist in drawing up and monitoring financial strategy and plans. In addition, tax efficient financial planning and use of developing financial techniques will be necessary, as will advice on control and monitoring systems for treasury and banking operations. Ref: B/190c.

For these appointments the ability to discuss financial matters at all levels in the Group is essential.

Remuneration is negotiable and will fully reflect relative market conditions. Excellent benefits include London Allowance, non-contributory pension and assistance with relocation expenses, where appropriate.

Please write or telephone for an application form, quoting the appropriate reference, to: Susan Skolar, Recruitment & Placement Branch, The British Petroleum Company p.l.c., Britannic House, Moor Lane, London EC2Y 9BU. Tel: 01-920 3484.

BP is an equal opportunity employer.

The British Petroleum Company p.l.c.

Partnership Secretary Major Firm of Solicitors

North West — £20-25K

Our client is a leading firm of Solicitors in the North West, is broadly based, and has a total staffing of around 100 people. The business could double within the next 5 years.

As part of the firm's practice development strategy this new appointment has been created at Partnership level. The successful candidate will therefore assume overall responsibility as the business and administrative manager of this expanding practice and act as Secretary to the Partnership.

Working closely with the Practice Development Committee, the appointee will develop and maintain the part-computerised information and administrative systems to meet future business needs.

Candidates aged around 35-45, will be qualified accountants, who can demonstrate success at a senior level in a service environment, preferably within a Partnership.

Please send brief career details in the strictest confidence to Peter T. Willingham, (reference LM100) or telephone him for a confidential career summary form on 01-283 3070, Spicer and Pegler Associates, Executive Selection, St Mary Axe, London EC3A 8BJ.

Spicer and Pegler Associates
Management Services

Leading firm of International Money Brokers

require experienced

Euro-Deposit brokers

for its expanding operation in this area.

Write Box A8851, Financial Times 10 Cannon Street, London EC4P 4BY

Corporate Banking Manager

Age: 33-38 £30,000–£35,000 + car

Excellent credit skills plus a flair for business development in the UK corporate sector are the key requirements for this new appointment. Our client is a large French bank with an international network. As may be expected, the London branch is already well established vis-a-vis French corporate customers in the UK. Now the time is right for a 'push' into the non-French corporate sector where the bank competes favourably on pricing and flexibility of service.

Reporting to the General Manager, the person appointed will be responsible for building up this non-French business, concentrating on medium-sized companies. In addition, the Manager will be responsible for the branch credit analysis and loan administration function and will lead a team of six in total. The principal products will be trade finance, term lending, documentary credits and treasury services.

The pioneering nature of this position will appeal to the self-motivated individual who is looking for the opportunity to take the lead in building up a UK corporate banking operation. Currently, he or she may be in a more constrained corporate banking job with a British institution or another foreign bank. A knowledge of French would be useful but is not essential.

The compensation package includes a salary negotiable in the range indicated, a subsidised mortgage, a choice of executive car, and good pension and health-care provisions.

Please send brief cv, in confidence, or telephone to make any enquiries, to Gary Gibbons, Group Manager, Banking and Finance Group, **Ref: AA54/9053/FT.**

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Pension Funds Management

The Pension Funds Investment Department of British Gas has the following opportunities for professional men and women in its small specialist team based at High Holborn. The funds under management are valued at over £2,000 million with a net cash flow in excess of £250 million per annum.

Portfolio Manager – Gilts Portfolio

To be responsible for managing UK Gilt and Fixed Interest portfolios totalling over £400m, and to cover US Treasury and Eurobond Markets.

The salary will be on a range up to £20K, including Inner London Weighting.

Ref: F/00033/009.

Investment Analysts

Two Analysts are sought – one to be responsible for part of the Fixed Interest portfolio and the other to be responsible for part of the UK equity portfolio. These positions offer considerable investment discretion and there will be a need to demonstrate market flair in addition to analytical skills.

Salary will be on a range up to £15K, including Inner London Weighting.

Ref: F/00196/009.

Candidates will preferably possess a degree or professional qualification and have some experience of the area of work for which they are applying.

Working conditions are good. Benefits are those normally associated with a large progressive organisation.

Please write with full career details, quoting the appropriate reference number, to:
Senior Personnel Officer [HQ Services], British Gas, 59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

AT A CAREER CROSSROADS?

We require executives preferably in their 40s with a background in industry, commerce or the professions to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided. Write to: M. J. Talbot or R. A. Armstrong at HILL SAMUEL INVESTMENT SERVICES LTD. 50 Pall Mall, London SW1Y 5JQ or telephone 01-839 1012

Sales Consultant
Pensions Fund Management

London £ Substantial

The Investment Management Division of Hambros Bank Limited has created a new position for a pensions fund specialist to generate further business in a developing market, focusing particularly on the small fund sector.

He or she will receive full marketing support, a considerable number of existing contacts, and every assistance from investment managers, particularly in presentations to clients.

The brief calls for a pensions executive with a proven record of success in the field. Sales experience is strongly preferred, but candidates must in any case demonstrate the ability to negotiate at senior level. Membership of an appropriate professional body would be an advantage.

A generous package is available for discussion and further prospects for the high-achiever are excellent.

Applications, please, quoting ref. 128/1/FT, to S. C. Mackay, Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1142.

Hambros Bank

Information Technology Manager

London c£22,000

Our client is a leading firm of stockbrokers providing a comprehensive international service for investors. Maintaining their high professional *standards and keeping abreast of the rapid changes on the stock market* demands technologically advanced computer systems operated in the most cost effective manner.

An information technology manager is required to coordinate and develop information processing systems which will be used to provide research information to clients. This will involve the evaluation and cost justification of software packages, the assimilation of new hardware and the cost effective use of external information services; such as the Stock Exchange TOPIC System.

Ideally the successful candidate will be in his or her late twenties with experience of computerised systems used in a stockbroking environment. At least 5 years systems and programming experience in a senior capacity will be sought, combined with sound technical skills in the application of new information technologies.

Applicants will be expected to demonstrate a well developed interpersonal style which facilitates effective communication with all levels of staff, this will probably have been gained by the experience of managing a small EDP function.

This is an excellent opportunity to embark upon a rewarding and challenging career with an attractive remuneration package which, in addition to the salary, includes an Executive Bonus Scheme, medical insurance and a pension scheme.

Candidates, male or female, should apply in confidence detailing their career history, salary and the motivation for applying, quoting reference MCS/5023 to Barrie Whitaker, Price Waterhouse Associates Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

CHIEF EXECUTIVE

The West Midlands Enterprise Board has a successful and innovative record as a development capital company whose main aim is to stimulate industrial growth in the region by providing long term finance to medium and large companies.

The Chief Executive is responsible to the Board and will be expected to lead a team of skilled staff committed to working with West Midlands companies to evaluate detailed business plans and monitoring reports which combine financial, industrial relations and sectoral considerations.

Candidates must have proven financial and managerial experience as well as an active appreciation of the aims and policies of the Enterprise Board.

Salary in the range of circa £22,000 plus car and relocation help.

Please write by 26th January, in confidence, with full career *details to:*

Geoff Edge, Chairman
West Midlands Enterprise Board Limited,
Lloyds Bank Chambers, 75 Edmund Street, Birmingham B3 3HD.
Tel: 021-236 8855.

WEST MIDLANDS
ENTERPRISE BOARD LTD

ARE YOU WINNING IN THE JOB MARKET?

We have a programme that will help you get the right new job FAST. It produces outstanding results for our Clients. Telephone for a free, confidential appointment — or send us your c.v.

We are also specialists in 'Outplacement' for organisations, through our Group Company Lander Corporate Services Ltd.

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London: 01-580 6771, 35-37 Fitzroy St., W1P 5AF.
Bristol: 0272 22367, Maggs House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-632 5286, 14 Corporation St., B2 4RN.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.

Senior Dealer

SPOT CABLE • c. $50,000 TAX FREE

Our client, a highly regarded Kuwaiti bank, is seeking an exceptionally competent, profit orientated dealer to join a well established multi-national dealing team in Kuwait.

The ideal age is around 26 and a graduate is preferred – but the main requirement is a record of tough and profitable trading.

The tax free salary is negotiable and benefits include a high standard of furnished accommodation and paid home leave.

Please send brief details or telephone Andrew Duncan at Bull, Holmes (Management) Ltd., 45 Albemarle Street, London W1X 3FE (Tel. 01-409 2188), for further details.

Bull Holmes
PERSONNEL ADVISERS

هكذا ضمن الأصل

ECONOMIST

ST. HELENA

Duties: To advise and assist the Government of St. Helena on all development issues with an economic content, and in particular to prepare an outline Development plan and development estimates; carry out project identification preparation, appraisal, monitoring and evaluation of discreet project activities contained within the plan; establish a local capacity to undertake routine economic planning and project related activities.

Qualifications: Applicants should be British Citizens, preferably aged under 45 with practical experience in a developing country context of both economic planning and project appraisal.

Appointment: 12 months in the first instance. Salary in the range £11,600 to £14,250. A tax free Foreign Service Allowance currently in the range £465-£2,665 according to marital status is also payable.

The post is wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include free family passages, children's education allowances and holiday visits, free accommodation and medical attention.

For full details and application form please apply, *quoting ref AH358/GH/D* stating post concerned, and giving details of age, qualifications and experience to:

Appointments Officer,
Overseas Development Administration,
Room 351.
Abercrombie House,
Eaglesham Road,
EAST KILBRIDE,
Glasgow G75 8EA.

ODA
OVERSEAS DEVELOPMENT
BRITAIN HELPING NATIONS TO HELP THEMSELVES

MONEY MARKETS

Prime European Bank

Our Client, a major force in international banking with a substantial trading presence in London, seeks a senior dealer to head up and develop an active and professional money market team.

Candidates should have some managerial experience and a minimum of 5 years' domestic and foreign currency market trading gained in an active dealing room, with exposure to new financial instruments.

This is an excellent opportunity for personal and career progression with an organisation of stature, where the salary and fringe benefits will fully reflect the importance attached to the position.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812/3/4/5
Management Consultants · Executive Search

CORPORATE LENDING

Prominent Merchant Bank

Our Client is a professional and successful Merchant Bank with a reputation for innovation and a highly creative approach to its clients' financing requirements.

Continued expansion calls for the recruitment of two bankers at **management level** to make a significant contribution to the further development of the bank's corporate lending activities.

Candidates, probably graduates and/or professionally qualified, should possess a thorough and broadly-based lending expertise, with well-developed and imaginative credit skills.

These are senior appointments offering considerable career opportunities, which will be matched by a competitive salary and the full range of fringe benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812/3/4/5
Management Consultants · Executive Search

"Capital Careers in International Finance"

Corporate Finance Executive

(French Speaking)
c.£30,000 + Car*

Head of Documentation

(Lawyer)
c.£20,000

Rapid expansion of my client, the London-based U.K. subsidiary of a highly successful international Finance and Investment Organisation, has now resulted in the need to make two new senior management appointments.

As the Company's **French speaking Corporate Finance Executive**, your fundamental tasks will be to raise capital in notably U.S. Dollar, Yen or French Francs and create new (or develop existing) business mandates in France.

Of either British or French nationality, you must have had considerable exposure to French borrowers, particularly Government-orientated institutions and must possess an impressive list of personal contacts in the French Merchant Banking sector.

Of graduate calibre, aged 28-35, and totally fluent in French and English, you will be based in the City of London, but should anticipate frequent travel away from home.

To become the Company's new **Head of Documentation**, you must be a City-orientated, qualified Lawyer with at least 2 years' experience in the Corporate Finance Department of a British Merchant Bank or equivalent financial/legal institution which has had dealings in the Capital Markets area.

Technically competent and sufficiently able, therefore, to ensure correct documentation procedures are applied in all Lead Management or Syndicated Issues, Swaps transactions, etc., you will liaise regularly with various senior management colleagues and external Legal Representatives, in the Company's best interests.

Adaptability, a pleasant personality and an energetic disposition are essential attributes for this role. Age, 25-32 years.

In addition to the negotiable salary packages as indicated, both appointments offer an excellent range of normal banking benefits including mortgage subsidy, personal loan facilities and private health scheme, etc.

Interested? Then, clearly indicating for which position you are applying, please ring or preferably write to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London W1R 5FA. Tel: 01-439 6288. Telex: 261426.
(*Interviews for selected candidates will be held in Paris and London).

Sowerby's Selection

South East Thames Regional Health Authority

District General Managers

Applications are invited for District General Managers in the following districts:

Medway
Canterbury & Thanet
Greenwich
Dartford & Gravesham

As a result of a review of NHS management arrangements District Health Authorities are, for the first time, seeking General Managers who will have overall responsibility for establishing strategic plans and for leading a multi-disciplinary team in a corporate approach to meeting the health needs of the community. The General Manager will set objectives designed to provide optimum levels of health care for the resources available. He/she will monitor performance and be accountable for results.

Candidates will be expected to demonstrate a proven record of successful management of a large organisation, control of large budgets and successful handling of change. Developed and proven leadership qualities will be essential.

Typically a DHA has an annual budget of £45 million, employs 4,500 staff and serves a population of 250,000.

Appointments will be made initially for a minimum of three years and this may be extended by mutual agreement. Remuneration will be negotiable and will be related to that of Senior NHS Officers.

Further particulars of any or all posts are available on application from the Regional Personnel Officer, Thrift House, Collington Avenue, Bexhill-on-Sea, East Sussex TN39 3NQ or by telephone (0424) 222555. Completed applications will be required by Health Authorities by 25th January 1985. Ref: 4241.

Interviews will be conducted by individual authorities.

INTERNATIONAL BANKING

EUROBONDS SETTL. MANAGER
Major International Bank with a well-established presence in the Capital Markets is seeking a Manager for its Eurobond Settlements Dept. Candidates, ideally early-mid 30's, should have indepth experience of the settlements function within a similar environment together with strong man management ability. Salary indicator c. £20K plus usual banking benefits.

CREDIT OFFICER
Respected International Bank has a challenging opportunity for an ambitious and professional banker seeking to fill a new marketing support position. Candidates must have at least two years credit analysis experience, sound credit judgement and the potential to develop marketing skills in an expanding environment.

TRADE FINANCE
U.S. Bank with a well-established and expanding London presence is seeking an additional marketing officer for its Trade Finance Unit. Applicants, probably late 20's to early 30's, must have both calling and credit assessment experience in this particular activity together with strong interpersonal skills. This is a new, key position and an attractive salary package will be negotiated with a suitable applicant.

INTERNAL AUDITOR
The development of the London Branch of a respected European Bank necessitates the appointment of a person mid 20's to early 30's to be responsible for the total Audit function. The ideal candidate will be a qualified Accountant with some exposure to auditing within a Bank.

FRN SALES/TRADING
Fast expanding Capital Markets group of an International Bank is committed to increasing its foreign activities. Positions exist at varying levels from junior to senior status for people with related experience. Salaries are highly negotiable and will reflect the importance of these positions.

EUROBOND SETTLEMENTS
Major International bank, committed to substantial expansion of its Capital Markets activities, requires several people to fill positions of varying levels of responsibility within the Eurobond Settlements function. This first class bank offers competitive salaries and excellent opportunities for future progression within the department.

Our current assignments also include

U.S. Equities	£ Neg.
Asst Ops Manager	to £16,000
Doc Credits Manager	c. £16,000
Options Trader	£ Neg.
Marketing Officer	to £30,000
B.D. Officer	£16-18,000
Asst. Accountant	c £13,000
Chartered Accountant	to £16,000
Chief Dealer	to £30,000
Senior FX Dealer	to £25,000
Operations Manager	to £22,000
Loans Admin Officer	c £12,500

Gordon Brown Bank Recruitment Consultants Ltd.
85 London Wall, London EC2M 7AD Telephone: 01-628 4501

Treasury Specialist

Brentwood, Essex **up to £16,000 + car**

Our client, Ford Motor Credit Co. Ltd., is a wholly owned subsidiary of Ford Motor Company providing financing facilities to Ford dealers and their retail and corporate customers through a nationwide network of branch offices.

A Treasury Specialist is currently required to work with the Company Treasurer at the company's headquarters in Brentwood, Essex taking responsibility for:–

- Maintaining and establishing relationships with banks and brokers.
- Negotiating borrowing arrangements with banks and brokers.
- Preparing forecasts, analyses and management reports. Reviewing and recommending alternative banking and borrowing strategies.
- Recommending special financing opportunities in export, euro currency and foreign exchange dealings.

Candidates, aged under thirty, will ideally be graduates with a professional accounting/banking qualification. Recent experience of money markets, borrowing/investment and a hands-on experience of personal computers is desirable.

For ambitious applicants possessing a high degree of self motivation, long term career prospects, within both treasury and mainstream financial management, are excellent.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref: 192, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

TOP BANKING MANAGEMENT SAUDI ARABIA

A major bank in Saudi Arabia requires two senior bankers to assume top management positions at its Head Office.

Senior Adviser

The Senior Adviser should be an individual with extensive experience in general banking who has held operating and top management positions in commercial and international banking. A mature, discreet and strong personality is required, together with a capacity to advise the Managing Director, General Manager and other senior executives in the Bank on a wide range of technical and administrative issues concerning the Bank's activities in Saudi Arabia and abroad, with particular emphasis on strategic planning.

Treasurer

The Treasurer's main function is to oversee the entire balance sheet of the Bank, supervise all its foreign exchange activities and advise top management on money markets. In addition to these executive functions, an important part of the job lies in the training of young Saudi dealers.

A fully competitive package will be paid for the right candidates. Every application will be treated in strict confidence. Interviews will take place in London in January 1985.

Please indicate on the envelope any bank to which this application should not be forwarded.
Please reply to Box A8849, Financial Times, 10 Cannon Street, London EC4P 4BY.

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY
Rate £37.00 per single column centimetre

Sales and Credit Control Manager

c.£16,000 p.a. + 2 litre car

Our client is London based and is part of one of the major UK Brewing Groups with an individual turnover in excess of £100 million.

Having direct responsibility for nine staff, the successful applicant will control the credit performance of some 3,000 trade outlets, as well as monitoring free trade loans.

This senior appointment will provide personal challenge and development for an individual aged between 28-35 years, who can demonstrate at least five years' experience in effectively managing and controlling a credit function. Whilst a knowledge of the drinks trade is desirable, applicants should have a proven track record in a competitive marketing orientated environment, together with the necessary vigour and determination to succeed and a personality beneficial to the company's prestigious image.

In the first instance, write in the strictest confidence stating how the above requirements are met and enclosing a detailed curriculum vitae to:
Michael D. Bird,
Resource Evaluation Ltd.,
35 Berkeley Square, London W1.
Tel: 01-409 3075.

RESOURCE EVALUATION LIMITED

A CHANGE OF DIRECTION

If your career is at a dead end and you are considering a change of direction this could be the opportunity you are looking for.

Self-assured people with ability and business acumen are needed by our Cheam Office to train for new careers in financial services (of which life assurance plays only a part).

Exciting opportunities for personal success and career development are linked with excellent training and the prospect of a very high income.

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01-661 7711

TEACHING COMPANY SCHEME
SCIENCE AND ENGINEERING RESEARCH COUNCIL AND DEPARTMENT OF TRADE & INDUSTRY

CONSULTANT

(PART-TIME) TO THE SCHEME

The Teaching Company Scheme, jointly funded by SERC, DTI and industry itself, supports programmes involving close collaboration between industry and academy with the aims of improving the technical and business performance of individual firms, developing academy's understanding of industry, and providing attractive openings into industry for young graduates. The annual budget of the Scheme is about £7M and rising; over 30% of this is contributed by participating companies.

The Scheme operates by placing young graduates to work in companies on specially approved programmes under the joint supervision of senior industrial and academic staff. Initiation, selection and monitoring of these programmes is carried out by members of the Teaching Company Directorate, of which the consultant would be a member. Although most programmes are in the general field of manufacturing, a general expansion of the scale and scope of the Scheme will embrace many other industrial sectors.

Duties

The consultant will join the Directorate to assist in managing current programmes and in expanding the Scheme. He/she will be required to work closely with Managing Directors and Professors and should have substantial ability and experience in both technical and management matters. Appropriate industrial experience at a senior level is essential, together with understanding of the academic world.

He/she will work from a suitable local base as a self-employed person on contract for 135 to 180 days per year. Substantial travel within the UK is involved.

For further details, apply **in writing**, enclosing brief CV to:
Dr D P Jones (Ref TCCON/4), Teaching Company Directorate, Science and Engineering Research Council, Polaris House, North Star Avenue, Swindon, Wilts. SN2 1ET

CLOSING DATE: 31 JANUARY 1985

INTERNATIONAL INVESTMENT AND FINANCIAL PLANNING

LONDON **c.£15,000+Bonuses**

Due to continued expansion in their business Thomson's Overseas, the leading firm of tax, investment and financial planning consultants to British nationals living and working overseas, are looking for a senior consultant to strengthen their Middle East department. The successful candidate must have a good working knowledge of international investment markets and the use of trust and life assurance vehicles in U.K. tax planning.

The candidate is likely to be aged between 25 and 35 and able to work on their own and as a member of a team. It is anticipated that there will be at least four overseas trips per annum to the Middle East, frequently unaccompanied.

Starting salary will be c. £15,000 but substantial bonuses will be paid dependent on results.

Please reply in confidence to:—

Pieter C. Kunz, Esq., Director
THOMSON'S OVERSEAS LIMITED
1, Wilton Road, London SW1

Major US Bank
Capital Markets Executives
London Based

The merchant banking affiliate of one of the prime New York money centre banks, our client is growing dynamically and represents a significant force in a wide range of international merchant banking activities.

Both as a result of this growth and in anticipation of continued expansion, there is a current demand for experienced professionals who must possess senior management potential. Candidates should have around three years' merchant banking experience, which will include both winning and closing capital market transactions. Specific product knowledge will encompass debt and equity issues, FRN's, FRCD's and swaps. The most urgent need is for candidates with particular exposure to the Canadian, Japanese and Floating Rate Note markets.

A highly competitive package, including a generous bonus scheme and company car, is available and will relate to successful candidates' experience.

Interested applicants should contact **Chris Smith on 01-404 5751,** or write to him enclosing a full curriculum vitae at the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref. 3452.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

INTERNATIONAL MGMT CONSULTANT To £30,000 + Car London Base	Applications are invited from graduate accountants aged 26-35 with successful track records in either accounting, financial management, data processing or management information systems. Developing country exposure, a second language and general management experience would be advantageous. Our client is a leading international consultancy firm offering a varied range of innovative assignments with approximately 60% overseas travel. Ref. DES
HEAD OF FINANCE c £23,000 + Car C. London	An influential role within an autonomous subsidiary of a quoted group. With responsibility for all accounting and related administration matters the successful candidate will be expected to provide the board with sound financial guidance. Applications are invited from graduate ACA's with proven EDP exposure and experience of both head office and operating company environments. Ref: MJH
AUDIT MANAGEMENT c £20,000 + Car Kent	This high profile appointment is with an international financial services group and is ideally suited to a Chartered Accountant with related sector experience. Responsibilities embrace the planning, supervision and review of audits into all aspects of the business. The position offers some overseas travel and is a springboard to general management. Ref: KRJL
COMPUTER SPECIALIST c £17,000 + Car N. London	A successful distribution organisation requires a decisive team leader to spearhead the development and control of computer matters. The position offers both technical involvement and career potential and is ideally suited to a qualified accountant aged 27-36 with excellent communication skills, enthusiasm, objective thinking and medium or large sized company experience. Ref: RSL
CREATIVE ACCOUNTANT c £15,000 Thames Valley	The decentralisation of this progressive manufacturing group has created a vacancy for an ambitious accountant with Chief Accountant potential. Reporting to a Divisional M.D. your initial brief will be the establishment of all accounting and systems routines. Applications are invited from qualified accountants with good industrial accountancy experience and the ability to warrant early promotion. Ref: KRJL
MERCHANT BANKING C £14,000 + Bank Benefits City	An Accountant with banking or financial services sector experience is sought for this newly created position with a Merchant Bank. The organisation is expanding its commercial activities and the successful candidate will be responsible for controlling all related accounting matters. This challenging role offers excellent scope for on-going career development in a dynamic environment. Ref: RSL

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

CORPORATE FINANCE

£15,000-£40,000 + Substantial Benefits

Our clients, some of the City's most successful and innovative merchant banks, stockbrokers and practising accountants, require additional members to augment established and developing departments. Vacancies exist across the board from Executive to Assistant Director level.

We are therefore interested in hearing from:—
(i) Experienced Corporate Finance people with a banking, broking or industrial background;
(ii) Newly/recently qualified ACAs and Solicitors.

FOR FURTHER DETAILS CONTACT
ROBERT DIGBY B.A.

U.S. EQUITY SALES

To £30,000 + Benefits

Our client, a major U.K. Merchant Bank, is seeking an experienced, high-calibre U.S. Equity Sales Executive. The ideal applicant will have had three to five years' experience with an Investment Bank or firm of Stockbrokers. Fluency in one or more European languages is a distinct asset; a high degree of motivation and a proven record of success in the field is essential.

INTERESTED APPLICANTS SHOULD CONTACT
CHRISTOPHER LAWLESS B.A.
OR STUART CLIFFORD B.A.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-583 0073

International Investment Fund Managers
North America & Europe

City based **c.£22k-25k + substantial benefits**

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THE ARTS

Record Review/Andrew Clements

Mixed novelties

Maxwell Davies: Image, Reflection, Shadow, The Bairns of Brugh, Runes from a Holy Island. Fires of London/Davies. Unicorn-Kanchana DKP 9033
Osborne: I am Goya, Flute *Concerto, Remembering* Esenin, The Sickle. City of London Sinfonia/Hickox. Unicorn-Kanchana DKP 9031
Casken: Firewhirl, String Quartet, Ia Irana, Gauguin. *Various artists.* Wergo WER 60104
Shnitke: Violin concerto No 2, Piano Quintet. Gidon Kremer, Basle Symphony Orchestra/Holliger. Philip 411 107-1
Henze: Five Symphonies. Berlin Philharmonic/Henze. Deutsche Grammophon 410 937-1 (two records)

In the area of contemporary *music at least,* the record industry seems to take two steps backwards for every tentative step forward. Even a composer as securely established as Peter Maxwell Davies is scantily *served;* no *major company has* come forward to organise a systematic survey of his work, in the way that Decca did in the late 1950s and 1960s for Britten, and Philips did for Tippett *a decade later. Unicorn-*Kanchana, a much smaller organisation, has done its bit, however, and the latest Davies disc from that source brings one of his most impressive recent scores together with two occasional pieces.

Image, Reflection, Shadow has been widely performed by the Fires of London and discussed several times on this page. *It is a fine example of* Davies's ability to generate expansive arguments with a generally assonant yet highly flexible musical language. Stephen Pruslin's sleeve note suggests it as a sequel to Davies's earlier sextet *Ave maris stella,* with which it shares an elegantly proportioned structure and marvellously evocative instrumental writing, in which here the cimbalom plays a leading role. The Fires of London play it with quiet assurance, emphasising the work's chamber-music *quality, and bring bright,* primary colours to *The Bairns of Brugh,* a cogent elegy from 1981, and *Runes from a Holy Island,* commissioned for a BBC Radio 4 programme in 1977.

Unicorn-Kanchana is also responsible for issuing the first recordings of the work of Nigel Osborne, another composer who in a more perfect world should already have been substantially represented. The selection of works here is a logical one—all four items were originally *inspired by Russian literature* —and it makes a useful if by now slightly outdated introduction to Osborne's music. *I am Goya,* a sombre setting for baritone (the excellent Stephen *Varcoe here) of a poem by* Andrey Voznesensky, was the first piece to really gain wide critical attention; that was written 1977, and was preceded by *Rembering Esenin* for cello *and piano (1974) and The Sickle* (1975), a Mayakovsky setting for soprano, both of which have the dramatic cogency and sureness of expression that have remained *characteristic of his music.*

It's unfortunate that the flute concerto (1980), the most substantial work on the disc, should also in many ways be the least satisfying, both structurally and *in the quality of its invention.* It's a shame the later Osborne could not have been represented by one of the more recent Sinfonias or the vocal *Choralis,* all of which have more *emotional* poundage than the concerto, which never quite gets over its essentially lightweight premise. Those more hefty works, however, can wait for the follow-up collection that *should* appear *as* soon as possible.

The three pieces by John Casken project no such pungent musical personality. One can admire the craftsmanship in all of Casken's work, the carefully graded textures, the fastidiously organised harmony. But it never quite transcends the impression of models thoroughly absorbed and reconstituted in an utterly civilised way. Only *Firewhirl* (1980), a setting for soprano and ensemble of a text by George Macbeth, seems more potent, when it grafts some Stravinskian rhythmic vigour and rawness onto its lucid framework; the String Quartet (1983) seems to cry out for *some* of the same earthiness, while *Ia Orana, Gauguin* (1978) for soprano and piano to a text of the composer's own devising, generates an exotic ecstacy without ever being completely convincing. Performances — from Theresa Cahill and the *Northern Sinfonia, the Lindsay* Quartet and Jane Manning — are, however, first-rate.

Shnitke's *second violin* concerto has not to my knowledge been performed in Britain. The third concerto has, and seems to me one of his most successful large-scale works, but *its Bergian sound world is far* removed from that of its predecessor, which continually finds its lyrical impulse frustrated by a fondness for modish effects too characteristic of the *time (1966)* when it was composed. At his best Shnitke can fuse any number of disparate stylistic elements convincingly and derive a considerable emotional charge from doing so, but he does not manage it in the concerto, eloquently though Kremer propounds it.

The piano quintet (1976) is a *different* matter; here Shnitke reveals his debt to Shostakovich most explicitly, in both the scarcely suppressed sense of tragedy (the work is dedicated to the memory of the composer's mother) and in the use of very basic thematic elements to build impressive musical structures. Neither works really settles the question of Shnitke's true stature—at times he seems a composer of considerable power, elsewhere little more than a gifted eccentric. What is clear, however, is an ability to inspire fine performances; Kremer leads an account of the quintet that suggests most committed advocacy.

Deutsche Grammophon has a wealth of recordings of Henze that are presently unavailable, and it's to be hoped that the reappearance of the first five symphonies is the forerunner of much more. It is not, to be honest, a terribly distinguished set: the performances are dutiful rather than committed and the music itself is only intermittently engaging. Henze has always been alarmingly fluent, perhaps too fluent for his own good. His compositions of the late 1940s and early '50s, when four of these symphonies were written, veer between the exquisite and the uninspired, and the symphonies belong generally in the second category. None of them is without interest—Henze is too naturally expressive a composer for that —but there are so many better of his works lurking in the archives (not least the operas) that one wonders why DG chose *these for first revival.*

Stockhausen/Barbican Hall

Max Loppert

In what have traditionally been the musical dog days of early January, the BBC is suddenly *showing a splendid* determination to find exciting and purposeful ways of banishing all such tradition. Until Saturday, and again next Wednesday, the BBC Symphony Orchestra and various virtuoso soloists and singers are installed at the Barbican to present a Stockhausen festival with a specific brief and enclosing subtitle—"music and machines (1954-1970)." The composer himself is in residence; talks, open rehearsals and films supply the necessary background. By proposing for this festival boundaries which broadly close off the period of first major Stockhausen innovation, the movement towards various styles of confronting electronic equipment and live-produced musical sound, the BBC has at least chosen to focus attention on the music in a particular context.

Furthermore, all the works selected for revival — the 10th piano piece marks the earlier end of the chosen period, *Mantra* the later — add a specific new detail and dimension to the larger picture; even those temperamentally out of sympathy with the whole ethos of the music, and unable to tune themselves to the language of metaphysical imperatives in which its description is so often *couched, must* agree that the experience will force new illumination on the issue. As Richard Toop (in programme notes uncommonly lucid and witty by previous Stockhausen standards) *suggests* at the close of his introduction, future London festivals will obviously be needed to continue the process; after the opening concert, on Wednesday night, one was in a mood to hope that their planning was already well advanced.

The major item in it was two performances, in exactly reverse structural formation, of *Mixtur* (1964, here given in the slimmed-down version of 1967), conducted by Peter Eötvös, with the composer in control of sound projection. *Mixtur* was among his earlier large-scale essays in "live electronic music," whose instrumental sounds are heard and also — momentarily, simultaneously, in diverse patterns of delay as may be—subject to ring modulations. Its methods promote simple, sometimes stark gestural alternations; but last night simplicity was enriched by the exhilaratingly high degree of pictorial imagination that informs each moment (and each sectional *Moment*), that sweeps one resistless into the adventure.

Both performances supplied enthralling stretches of sound in which one could be enveloped, by which one could also be consciously critically interested; only the failure of the Barbican equipment to provide the degree of multi-directional "sensurround" promised by the quantity of speakers banked along the walls of the first tier robbed the listener of total envelopment.

Between the two readings, Bernhard Waumbach gave a masterly account of the 10th piano piece: for me its content is always exhausted well before its end is reached, but on this occasion awareness of exhaustion was delayed longer than usual. All the concerts are ebing broadcast live on Radio 3.

Opera in Catalonia

Ronald Crichton

Now that Catalonia is autonomous, the Catalan language has moved up in the official world. The opera public may still call the famous theatre on Barcelona's Ramblas the Liceo, but on the programme cover it has become "Gran teatre del Liceu." Either way this is a pleasant place to spend a winter Sunday afternoon—resplendent, vast auditorium kind to voices and orchestra, glittering foyer, wood-panelled rooms for the private use of the Liceu's *equivalent of the Friends of* Covent Garden, whose forerunners commissioned from the painter Ramón Casas, one of the "four cats" group to which the young Picasso belonged, a series of canvases on musical themes which has become a shrine of the "modernismo" movement.

The Liceu's financial set-up has changed. The theatre is no longer an entirely private venture: in addition there is regional and municipal support. Standards have improved. If a visitor may be allowed to say so, the improvement has also affected the audience—punctual, quiet and attentive at the pre-Christmas matinée of Ponchielli's *La gioconda.* The new musical director Romano Gandolfi, former chorus master at La Scala, has raised *those forces* to a more suitable level for in a city long distinguished for choral singing than was the case at my first visit some eight years ago. Yet this is still "*grand opera*" *of the old kind,* with the solo singer way ahead of the rest.

That first visit offered Raina Kabalvanska, Bergonzi in top form, and Gwynne Howell in *La forza del destino.* This time it was the soprano Eva Marton, the mezzo Stefania Toczyska and the tenor Carreras, a local hero, known in his native city not as José but Josep. Today, when progressive producers are thicker on the ground than singers adequate for the big 19th century Italian roles, the extent to which voices can carry a performance is conveniently forgotten. The Liceu acoustics (clear, wood-resonant and golden as La Scala or Covent Garden in the old days) help, of course, but the enveloping pleasure given by the three singers in *La gioconda* mentioned above was due not to the building alone but to good, strong tone clearly projected and firmly sustained.

Eva Marton in the title-role of the notably un-jocund ballad singer came as a surprise. In her Bayreuth Venus and Elisabeth and still more in her Salzburg Fidelio I found little but cold, unyielding competence. In Barcelona Miss Marton melted. She was supple and feminine. One did not find (and could not reasonably *expect) the fiery pathos of* Callas or the special qualities brought by Ponselle and Milanov to this super-star part, but the voice was strong, even and lustrous, the dangerous chest *notes wisely* managed. Toczyska (Laura Adorno) is a real mezzo, not a soprano pulled down or a contralto dragged up. The tone is compact, each note surely formed. Unfortunately unclear Italian robbed the insults of their point in an otherwise exciting account of the slanging-match.

Carreras as Enzo Grimaldo displayed his usual warm, appealing timbre but the voice does not flow quite so easily now. "Cielo e mar" deserved most of the applause it won but was not seamless. This experienced, *personable tenor still* stands on stage like a shy, awkward schoolboy. Le Cieca, Gioconda's old, blind mother, was Patricia Payne, who may be forgiven some unsteadiness *for her whole-hearted* attack and true contralto colouring. Franco Bordoni as the villain Barnaba, was a late replacement, singing soundly with minimal indication of the nasty *nature of the character.* The forceful, woofy Alvise of Kurt Rydl suggested a descendant of Wagner's Hunding. As conductor, Romano Gandolfi showed his singers a deference hardly *needed by this cast. In* a theatre which magically enhances string tone it was a shame to have aria accompaniments reduced to wisps of sound.

The "direction" of Giuseppe de Tomasi was distinctly unambitous. I thought it a mistake not to show the supposedly lifeless corpse of Laura in the third act. The lurid melodrama which Boito fashioned out of a play by Victor Hugo takes some swallowing but on its own terms it works. Those terms do not include a toning down of the Gothic horrors. The music has dignity and a certain crypto-Verdian nobility. It is sometimes commonplace but not cheap. I would rather see *La gioconda* than some of the meretricious verismo war-horses which are still put through their paces.

Solitude (1933), one of the paintings to go on show at the Royal Academy's major Chagall exhibition from next week. It includes works covering 77 years, from 1907. On the right is the new president of the academy, Roger de Grey

De Grey picture by Ashley Ashwood

Chagall still painting at 97

Antony Thorncroft

A major exhibition of the work of Marc Chagall, the first in London since 1948, opens at the Royal Academy tomorrow and continues until March 31. Chagall, who lives in the South of France and at the age of 97 is still working (there is an oil in the show which he completed in 1984), is the last of the modern *masters still alive. Although* after his Cubist phase he was never a member of a particular school, his painting with its dream-like qualities has helped to mould contemporary *attitudes to art.*

The current show contains more than 100 paintings as well as prints and stained glass. There is also his stage backdrop for the ballet *Aleko,* commissioned in 1942 and measuring 29 by 45 feet, which has not been seen in the UK previously.

It is sponsored, with a guarantee against loss *of around* £100,000, by the First National Bank of Chicago, a city with which Chagall has had a long association. Full admission costs £2.50, with various *concessionary* rates. *During* February and March it will be possible to get a joint discount if a visit is also made to the Renoir show at the Hayward.

There will be a concert at the Barbican by the LSO on February 26, in aid of the Royal Academy appeal, of music with links to Chagall. The *Aleko* backcloth will be displayed at it.

Ann Mackay/Wigmore Hall

David Murray

Even with a slight cold—as on Tuesday night—Miss Mackay never disappoints; nor is she *much inclined to surprise. She* is beautiful, and her soprano has an enchanting openness and clarity as well as flexibility. There is also a dewy innocence about it that *will* not be com*promised. The result is that the* charm of the whole *persona* dominates everything; music that contains darker suggestions has to be play-acted, more or less efficiently but cautiously, *and it still strikes* pretty much the same bell-like note.

Tuesday's was a full-scale *Lieder* programme, which after considerable last-minute winnowing consisted almost entirely of classics from the Schwarzkopf repertoire. Miss Mackay's Schubert group was uniformly graceful, sensible, not much constrasted, making little of word-colour—though not so little as her opening Mozart. That was the late, pantheist mini-cantata K 619, which requires an intensity of declamation quite foreign to her style (and, to be fair, a cold-free lower range: some hollow timbre betrayed her troubles). She sang Hugo Wolf with intelligence as well as allure, though *though there was small hint of* tragedy in Mignon's songs nor of real mischief in "Ich hab' in Penna."

The second half was all Richard Strauss, to whom Miss *Mackay*—and her accompanist Geoffrey Parsons — warmed steadily. Despite some careful indications of distraction, the mad Ophelia's songs sounded little different from comic-lyrical ones like "Schlechtes Wetter" and "Hat gesagt . . ." (the Ophelia songs *can* freeze the blood); but the pure, happy warbling in things like "Muttertändelei" and "Ich schwebe" was irresistible. As encore, there was a lovely "Die Nacht" too. By then the soprano sounded ready to do gleaming service to Strauss for another hour or so. Miss Mackay accommodates different songs to her own manner willingly enough that it's perhaps bootless to wish that her range itself would expand. Still, with *natural powers like hers it* would be exciting if it did.

Meet me at the Gate/Kings Head

Martin Hoyle

Perhaps aiming at another success like the revived *Mr Cinders,* the enterprising King's Head has mounted a compilation of numbers from the Gate revues of the Thirties and early Forties. Bright young things, the men in blazers and white flannels, provide a happily misleading opening. There is astringency here, even amazing topicality—were they really referring to that "dear old thing" Barbara Cartland as "a pink meringue" nearly half a century ago?

Most of the material written by the late Robert MacDermot and his wife Diana Morgan (splendidly still in evidence on the first night, along with other contributors like Charles Zwar and Gerrard Bryant) excels when waspishly eyeing social pretensions. "Tatler Time" is a tart thrust at gossip-column queens and kings—Bobby Helpmann, the Sitwells, Mrs Simpson, Cecil Beaton redecorating Eton, and Oliver Messel redecorating Cecil. "Kensington Girls," a vignette of Sloane Rangers before their time, was—I've been told by a member of the original audience — disconcertingly irreverent in the Thirties. Best of all is the middle-aged middle-class barfly, the lonely and boring woman in the Chelsea local: she's still around.

This bitter-sweetness reaches its apogee in "Transatlantic Lullaby."

Not everything is as good as this. However, the show is never less than enjoyable. Neil Lawford directs a stylish comic, Lynda Bellingham (punchy), Diana Martin (roguish) and Gaynor Sinclair (wistful). The men are Murray Woodfield, Graham Hoadley (excellent at prim distress) and Robert Glenister whose little moustache and dotty twitch in "The Yodelling Goldfish" evoke so many Thirties figures—both ours (ineffectual) and theirs (sinister). Billy Milton introduces the numbers. Scheduled narrators include Margaret Rawlings, Gwen Ffrangcon-Davies and Diana Morgan herself.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. *A selective guide to all the Arts appears each Friday.*

Jan 4–10

Exhibitions

PARIS

Kandinsky: 70 paintings, many on loan from the U.S., Germany and Holland, are complemented by Nina Kandinsky's legacy of 700 drawings and sketches, by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 28. (277 1233).

Degas: His portrait of Diego Martelli and his astonishing Bureau des Cotons, with his Carnet 18 to be seen for the first and last time page by page, form the highlights of a vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 20-28 Rue des Francs-Bourgeois (272.73.52). Every day from 10am till 7pm. Ends Jan 27.

WEST GERMANY

Cologne, Museum für Ostasiatische Kunst, 100 Universitätsstrasse: The Museum of Far Eastern Art is showing Korean art – some of which is more than 5,000 years old. It includes *extremely* thin-walled storage jars with scratch patterns, bronze and stone weapons, glazed vessels, woodcut prints, gold sheeting and gold ornaments, pearls, green jade and glass, a sepulchral crown, bronze figures and tombstone reliefs. Ends Jan 13.

Hannover, Forum des Landesmuseums, 8 Am Markte: Berlin Art between 1770 and 1930 has 290 bronze, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

Düsseldorf, Kunstverein and Kunsthalle, 4 Grabbeplatz: Russian and Soviet Art – Tradition and the Present links the time of old Russian icon painting to today's contemporary approach with the help of 300 works of art. This is the most comprehensive show of Russian art presented in the Federal Republic. Ends Jan 27.

Marl, Sculpturenmuseum, Creiler Platz: Sculptures, drawings and graphics by Henry Moore depicting mother and child. The works include all his efforts to deal with this subject since 1922. Ends Jan 13.

Munich, Villa Stuck, 60 Prinzregentenstrasse: 80 coloured drawings from between 1880 and 1917 by Gustav Klimt, the Austrian chief protagonist of Viennese *Jugendstil.* Ends Jan 27.

Berlin, Nationalgalerie, 50 Potsdamer Strasse: "We Progress Continuously" has 300 sketches in preparation of nine paintings by Johannes Grützke, the contemporary realistic painter. Ends Jan 27

Bremen, Kunsthalle, 207 Am Wall: Water Colours from the 16th century includes Albrecht Dürer, Eugene Delacroix and Emil Nolde. Ends Feb 24

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: Fifty oil paintings, drawings and pastels by Francesco Clemente, the Italian painter. The lion's share hails from the artist's visit to India this year. Ends Jan 20

Münster, Westfälisches Landesmuseum, 10 Domplatz: More than 200 drawings and watercolours by Auguste Rodin, the French sculptor. The bulk of the exhibits have never been shown outside the Paris Musée Rodin. Ends Jan 20

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is displaying two exquisite shows. Nofret – the Woman in Ancient Egypt has 98 important works from between 2,500 B.C. and 200 A.D. on loan from Cairo. Ends Feb 10. Shogun offers a panorama of Asian culture in the everyday life of the Japanese dynasties between 1615 and 1868. Despite the limited number of exhibits from the Tokugawa Art Museum Nagoya in Japan, the show allows an insight into the position and importance of the Tokugawa princes. Munich is the only German venue of the exhibition which goes on to Paris. Ends Feb 3

ITALY

Naples: Museo di Capodimonte: 'Naples in the 17th Century': for lovers of Baroque. An exuberant exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Rome, Palazzo dei Conservatori (Campidoglio): Marc Chagall drawings, gouaches and paintings – 1907 to 1983. Chagall is remarkable for his fierce individuality and independence from the movements of his time: surrealism, fauvism and cubism. The exhibition gives us a visual history of Europe in the 20th century through the eyes of an exiled Russian Jew – from his muted early paintings of his tiny home village of Vitebsk near the Polish frontier to the explosion of colour and inventiveness of his first and, many think, best period in Paris. Homage to Apollinaire is here, as well as the exuberant Odalisque, Nude and the impossibly elongated Acrobat. The images one associates with Chagall around: the huge bouquets, flying lovers and fantastic animals, but these seemingly irrational and haphazard symbols *have a disproportionate* ability to produce emotions of joy, anguish, nostalgia and affection – always just saved from sentimentality by his wit and detachment. Closed Monday. Ends Jan 13.

Rome, Galleria Giulia (Via Ghulia 148): Max Ernst drawings organised in collaboration with the Goethe Institute. Ends Jan 16.

Florence: Palazzo Strozzi: Icons from Russia – painting in Russia and the Ukraine from the 15th to the 18th century, organised by the new exhibition centre in Florence and the Russian Ministry of Arts. On show are 71 icons from the Museo Rublev in Moscow, and from museums in Leningrad, Kiev and Cernigov. Newly restored and stripped of their dark protective layers of linseed oil, the colours are brilliant and the gold gleams. The exhibition is fascinating not only for the extraordinary and disconcerting beauty of the icons but for showing the remarkable artistic isolation of Russia, which allowed this subtle art form to survive until Peter the Great decided forcibly to Europeanise it in the 18th century. Ends March 3

NETHERLANDS

Amsterdam, Allard Pierson Museum: Similar But Different, an exhibition marking the archaeological museum's 50th anniversary, is devoted to daily life in Egypt, from 3500 BC to 600 AD. Not grandeur, then, but domesticity, as the visitor is led through a series of small rooms (one a re-creation of an Egyptian interior) displaying everyday objects, delicate faience work, jewellery and religious artefacts. Richly illustrated *catalogue. Ends Jan 1985.* Concurrently, on the top floor, a remarkable display of the earliest photographs (1839-1860) of the monuments lining the Nile.

S. Jessurun de Mesquita: Prints, drawings and decorative designs trace the career of this exponent of Art Nouveau who managed to combine simplicity and crispness of line in his woodcuts of people and animals with the bizarre extravagance of the "sensitivistic" drawings – fevered caricatures with a surrealist tinge. Amsterdam, Jewish Historical Museum. Ends March 10 (closed Mon). A smaller exhibition of the sensitivistic drawings runs concurrently in Rotterdam, Boymans-van Beuningen Museum.

Amsterdam Historical Museum. A show of 19th-century topical prints which met a popular demand for political comment. Illustrations commemorating important events in Dutch history, and souvenirs of royal occasions. Ends March 3 (Print-room closed Sun, Mon).

Enschede, Rijksmuseum Twenthe. A *retrospective* of Odile Redon, with 80 paintings, pastels and drawings, and 50 lithographs and etchings from the state collections. Ends Jan 20.

Utrecht, Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects from London, Vienna, Leningrad, Berlin, Paris and Amsterdam inevitably focus on the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities *of silver brought about a break with* the past. Ornate yet graceful cups and ewers contrast with superbly chased tazzas and plaques depicting mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianens' creations featured as sumptuous accessories. Ends Feb 10 (closed Mon).

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

Fanny Eissler: This charming exhibition already shown in New York celebrates the dazzling career of the 19th century Viennese ballerina who died 100 years ago. Fanny Eissler, daughter of Haydn's valet, took Europe and America by storm in the 1840s – and broke a few hearts on the way. Costumes, posters, letters and other memorabilia evoke a beautiful and talented woman. Opera House. Ends Jan 13.

The Vienna workshops: fashion and industrial design: The workshops, founded in 1903 by Josef Hoffman *and Kolo Moser,* introduced functional Jugendstil lines to all kinds of applied art. The workshops fell victim to the economic crisis in 1932 after producing a dazzling range of objects and designs, many now in the care of the applied arts museum. Futuristic, even bizarre cutlery, tea and coffee sets, lamps and textile designs are shown in the industrial design section of this exhibition. In the larger, less familiar fashion section sketches and photographs record a distinctive ladies fashion style from 1911 to 1932, dashing, willowy, elegant and exclusive. Museum of Applied Arts. Ends Jan 25.

TOKYO

Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arita ware, Delft from Holland and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside Cairo are also on display. This museum, on the 9th floor of the Kokusai Building in Hibiya, near Imperial and Palace Hotels, commands an excellent view over the Moat and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. *Ends Feb 3.*

NEW YORK

Museum of Modern Art: Primitivism in 20th Century Art has much good modern work by Picasso, Max Ernst, Brancusi among many others as well as striking tribal objects from Asia, Africa and North America, but the theme itself seems meant to fill space more than provide a better understanding of the primitives or the moderns. Ends Jan 15

WASHINGTON

National Gallery: Old Master Drawing *from the Albertina,* celebrating two centuries of Austro-American relations, includes Dürer's Praying Hands among the 75 works by Fragonard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others. Ends Jan 13.

CHICAGO

Museum of Contemporary Art: Celebrating the foresight of local collectors, Dada and Surrealism in Chicago Collections includes more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.

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Long haul in arms control

FROM the political point of view, the U.S.-Soviet agreement to relaunch negotiations on offensive nuclear weapons and to start talks on space and defensive systems should be a cause of reassurance all round. The world has long demanded an end to sabre-rattling and a reduction in international confrontation. The superpowers have now concluded, no doubt with mixed motives, that it is in their own interests to resume that form of dialogue which is encapsulated in the arms control process.

But there is no denying that these may well prove to be the most complex, and quite possibly therefore the longest, of all the arms control negotiations which have so far taken place. The bare fact that negotiations are now beginning does not mean that there is necessarily enough common ground to bring them to a succesful conclusion.

Part of the reason for this complexity lies in the procedural arrangements which were agreed in Geneva. There will be three negotiations, on strategic nuclear weapons, on intermediate-range nuclear weapons such as cruise and SS 20 in Europe, and on space weapons; but the talks will be handled by a single delegation on each side, divided into three subgroups. This means a very large, possibly unwieldy, agenda in which the space issues will create unprecedented complications.

Preoccupations

But the procedural complexities are really only the reflections of the substantive preoccupations of the two sides. The U.S. Administration is concerned by what it regards as the destabilising dangers of the Soviet missile force, which it wants reduced; Moscow is concerned by what it sees as the destabilising dangers of President Reagan's research programme into new technology for missile defence, which it wants to constrain. Since nuclear stability is founded on acceptance of some predictable relationship between offensive and defensive systems, it is clear to all that there can be no agreement on the control or reduction of offensive nuclear weapons unless there is also enough of an agreement on the restraints on defensive systems.

Very little has emerged about the substance of the exchanges between the two foreign ministers in Geneva, but that little suggests that it may prove difficult to secure enough of an agreement on such restraints. Mr George Shultz, the U.S. Secretary of State, has publicly admitted that there were differences of view about Washington's anti-missile Strategic Defence Initiative; while the U.S. is committed to observe the restrictions currently in force under the 1972 Anti-Ballistic Missile treaty, it is not prepared to commit itself on its future attitude to missile defence until the SDI research programme has given clearer indications of what could be technologically possible.

That could take another 10-15 years. In the meantime, it would appear, the most the U.S. is prepared to offer is discussions on whether, and if so how, the superpowers could make the transition to a more stable balance in which defence plays a larger part on both sides. If technology were to make missile defence more feasible, then, the Americans concede, deployment would have to be negotiated with the Soviet Union.

Consultation

The Russians can scarcely condemn the U.S. defensive research programme outright, since they have long had an analogous research programme of their own and they are in any case probably violating the ABM treaty already. Yet there is little chance that they will agree to reductions in their offensive forces with an American Administration which is publicly committed to a new and speculative concept of strategic stability, and none that they will agree rapidly.

It is, therefore, extremely encouraging that the U.S. has this week made great efforts to inform, and perhaps consult, its European allies on the Geneva meeting. A long-drawn-out negotiation which may frequently appear stalled will offer Moscow many opportunities for divisive propaganda. It will be essential that intensive alliance consultations are maintained permanently, partly to counter these divisive dangers and partly to bring the maximum European influence to bear on an administration whose negotiating posture appears, at this stage, to be idealistic but unpromising.

A debt promise unfulfilled

THE SIX months since the London economic summit have produced little if any evidence that industrial country governments were serious in their declared intent to promote a more flexible approach to rescheduling developing country debts.

While commercial banks have broadened the scope of their agreements with countries such as Mexico and Venezuela to include debt falling due for several years ahead, governments have generally stuck by their long-established principle of rescheduling only one year's debt at a time.

This is surprising in that it was the Summit leaders themselves who laid strong emphasis on such a multi-year approach in London last June; it is also disappointing in that it serves to perpetuate the belief of many debtor countries that the industrial world is ultimately indifferent to their plight.

Industrial governments have so far passed up two opportunities to agree a multi-year package, one with Mexico last autumn and one more recently with the Philippines. Now they are grappling with a third case, Yugoslavia, which on the surface seems the best candidate yet, given that about one third of its $20bn foreign debt is owed to governments themselves.

Yet here again government creditors are aiming for a one-year package while commercial bank creditors meeting in London this week are expected to agree in principle a rescheduling of some $3.4bn in debt falling due up till 1988.

There are plenty of specific reasons why governments should wish to move slowly in the case of Yugoslavia, and indeed in the other cases that have presented themselves so far. One, which few would dispute, is the principle that multi-year agreements are a concession that a debtor should have earned. From this standpoint Mexico might have qualified, but its official debt is very small and such a rescheduling was never sought. The Philippines, by contrast, has only just reached a first agreement with the International Monetary Fund on an economic stabilisation programme. The government still needs to show a good track record at implementing this agreement before its request could be considered.

Yugoslavia's performance, too, has given rise to some doubts, mainly because of its extreme reluctance to undertake a further IMF programme this year. Without the discipline that such a programme affords, there are fears that its decentralised system of government could quickly lead to lapses in the economic adjustment effort.

Example

This does not necessarily mean that banks are being imprudent in going along with a multi-year deal for the same borrower. Their arrangement is likely to contain some exceptional and explicit conditions on Yugoslavia's long-term economic performance and will not involve the provision of new money. Unlike banks, governments normally reschedule interest as well as principal—this will certainly be the case for Yugoslavia — which is equivalent to the automatic provision of a fresh money loan. By this token the contribution being made by the two groups of creditors is not as lop-sided in terms of burden as it seems.

There is, nevertheless, still a need for governments to lead by example in debt rescheduling. Multi-year rescheduling agreements have the great advantage of eliminating repayment humps a few years down the road. This in turn can facilitate a borrower's return to international creditworthiness, where it can stand again in the marketplace on its own two feet.

Within the next few months another test case is looming in the form of Brazil, which will seek a government rescheduling to accompany the bank agreement now being negotiated in New York. Brazil's economic performance over the past year certainly ought to merit the multi-year privilege. For creditor governments this will then be a chance to show that their Summit declaration were not just empty rhetoric, but a genuine and well thought out attempt to resolve a problem whose ramifications stretch well beyond banking into the preservation of economic growth worldwide.

WORLD OIL GLUT

Cold comfort for struggling Opec

By Ian Hargreaves

SNOW IN Europe in January. In newspaper terms it ranks as a classic "small earthquake in Chile — few dead" story. But the deleaguered oil market would dearly love to convince itself that Europe's belated and first blast of winter weather has brought a turning point in oil prices.

"This gives Opec a breathing space. Who knows, they may get their act together and head off a massacre in the second quarter," says one oil man. "But I am glad you did not ask me the question last Friday."

Last Friday, in thin, holiday markets, crude oil prices slithered to their lowest levels since the Iranian revolution in 1979. This week, thanks to Europe's winter, they have recovered by betwen 50 cents and a dollar a barrel.

The upward move brings some comfort to Opec ministers, as they prepare for yet another crisis session at the end of this month, and a further opportunity for the British and Norwegian Governments to delay announcing either the prices at which January North Sea business is being done or the longer term future of their methods of setting oil prices.

How realistic are the chances of a sustained rise in prices? And what does the market background suggest about the course of Opec and the oil pricing polices of Britain and Norway?

The case for higher prices rests chiefly upon two propositions; that the cold weather will last long enough—by which is meant several weeks rather than several days—to suck up a large quantity of the oil which was produced in the fourth quarter of last year against the expectation of rising seasonal demand; and that Opec will finally, after a year of gamesmanship, self-delusion and, in some cases response to domestic economic pressures, genuinely restrict its output to its official 16m barrels a day ceiling.

There was talk in the industry yesterday that on the evidence of the first week of January, Opec's output may be running as low as 15.5m b/d, although the most widespread view is that the correct figure is between 16m and 16.5m b/d. This compares with 16.7m b/d in the final quarter. Such optimistic talk was common last summer, however, just before the market took a new dive.

These days, even those who make the estimates are inclined to acknowledge their unreliability. Oil industry guesses about Opec production are mainly based upon counting the number of tankers leaving oil country ports. It is easy to make mistakes.

But there is another line to the optimists case. That is to point to the recent behaviour of the Arabian light spot price, which, as the chart shows, has been stable in comparison with both North Sea Brent and U.S. West Texas Intermediate prices, although still almost one dollar below the official Opec price.

This is due to the fact that the main supplier of Arabian light, Saudi Arabia, has succeeded in preventing too much of the oil finding its way into the spot market—a result largely of its continuing term contract arrangements to sell supplies to the four U.S. oil companies who have preferred access to Saudi crude as a result of their membership of the Aramco partnership. The strong rumour in the oil market this week, however, is that at least two of the Aramco partners—Chevron and Mobil—have chosen not to lift Saudi oil in January and that the others have cut back.

The Saudis thus have the choice of trying to dispose of this surplus production in the spot market, which they know would be disastrous for prices and counter-productive to the country's Opec diplomacy, or producing less. Many in the oil industry believe that the Saudis will be content for at least a period to accept such an additional cut in production. January estimates of Saudi output range from 3m to 3.5m b/d, compared with 4.4m b/d last year.

The effectiveness of such a measure, however, even if implemented and sustained long enough to make an impact in the market, could easily be destroyed by overproduction from any of Opec's less quota-conscious members. That presumably is the main reason why the Saudis are in the process of agreeing a modest change in the price differentials between heavy and light Opec crudes—a measure of virtually no significance to the real price of oil, in the view of the oil market, but useful currency for horse-trading inside Opec.

Defence of the quota ceiling is also the reason why Opec has made such great play of its plans to set up an international police force to patrol quotas. Since no sanctions appear to be envisaged against quota-busters, the main purpose seems to be a deepening of oil ministers' clout in their own countries. Great care was taken during the two-stage Opec meeting over Christmas to secure top-level support for the scheme.

The plan also no doubt had a public relations purpose, since dashed by the sceptical market response. "If you believe it, you will believe anything," says the headline on the latest bulletin issued by one London Opec-watcher.

The case for doubt about the sustained price rise or even price stability thesis is, however, somewhat more formidable. The main background factor is gently rising non-Opec production at a time of weak demand — developed world oil consumption is expected to rise by at best 1 per cent this year, compared with a rise of 2.7 per cent in 1984. Fourth quarter demand last year was unchanged from the fourth quarter of 1983, thanks to mild weather and the global switch from oil to other fuels, which has continued unabated in the last year in spite of weakening oil prices.

But the deeper worry for those with a vested interest in higher oil prices is the state of the oil products market, where the continued overcapacity in refining—around 30 per cent in Europe and 20 per cent in the U.S.—is proving to be a permanent drag on the recovery in crude prices.

Refiners, desperate for business will take any opportunity to process additional crude through their plant with the result, as in the case of the UK miners' strike, that sudden additional demand for one product—heavy fuel oil, the bottom of the refining barrel—leads to further overproduction of other oil products which are in plentiful supply.

The result is that product prices have been even weaker than crude prices and have tended to create wide gaps between the resale value of the products each barrel of crude is converted into and the spot price of crude oil. The value of the oil products sold—which range from petrol to power station fuel oil—is known as the refiner's netback.

This divergence between crude prices and netback has been particularly acute since October and is worst of all in the U.S., since the American refiner, buying and selling in dollars, reaps no benefit from currency exchange factors which have protected many parts of the European oil industry from the problems of falling dollar oil prices.

As the chart shows, the tendency of U.S. product prices to lead crude prices lower has been especially marked since late October. Calculations of netback in the U.S. market are more difficult to make, but according to one major oil company the gap between U.S. domestic prices and U.S. Gulf netback is now around $2 a barrel. In turn, American crude prices have fallen even below those for comparable grades of North Sea crudes, becoming a ball and chain on any sustained upward price movement. "Until you start to see some recovery in American product prices, you can forget about a general oil price recovery," said one oil executive yesterday.

The chances of a recovery in U.S. product prices rest upon the emergence of sudden additional demand—New York yesterday was having one of its coldest days of the winter, but the industry is now within sight of the eastern seaboard spring and is unlikely to go in for a major re-stocking exercise. "People here are talking about sending gasoil (heating oil) to Europe, which is ridiculous," said one New York oil analyst yesterday.

It is perhaps less ridiculous when you examine U.S. oil stockpiles. At the end of the year, stocks of distillate (the grade of oil which includes heating oil) were 5.4 per cent higher than a year earlier.

The general idea that as the weather gets colder the world faces an oil stocks crunch—an idea much canvassed in December by Opec—is probably equally misplaced. According to the latest figures from the International Energy Agency, published yesterday, oil companies at the beginning of January held 71 days of stocks—the lowest level since 1977. Governments hold an additional 19 days supply. The figures for Europe are 82 days of company stocks, with an additional six days of government stocks.

The IEA figures suggest companies are still well within their minimum operational needs and even safely within their minimum commercial needs. They will only start to restock in earnest if they become convinced that oil is cheaper today than it will be in April, a traditonal seasonal weak point for prices.

Caught between these pressures, the oil industry and governments of oil exporting countries are inclined to blame each other for the problem. U.S. refiners have recently called for tariffs on imported oil to protect jobs, companies and U.S. energy security. Mr Oscar Wyatt, chairman of Coastal, a leading refiner, recently reflected the mood of the industry when he told a conference in Houston:

"The continued wide-open production of the North Sea and Britain's policy to sell the oil at whatever price the spot market will bring has been the most substantial factor in the deterioration of the market, particularly the spot market and this will come right back home to our domestic market." Meanwhile Europeans blame Opec for lack of discipline and the Americans for misreading the market and overstocking.

> Europeans blame Opec for lack of discipline and the Americans for misreading the market and overstocking.

Unhappy U.S. refiners, however, are not likely to make much headway with their pleas for protection, since the Reagan administration has made it clear that it favours the idea of lower oil prices. British Government policy seems primarily designed to allow it to wriggle away from the centre of the oil pricing stage.

The approach has involved stonewalling on the underlying issue of whether Britain should have a state oil trader like the British National Oil Corporation to help it manage oil prices, whilst allowing BNOC to go on doing what it must to get rid of the 800,000 barrels of oil which comes its way each day.

The result is a good deal of confusion. On the one hand BNOC is selling all its oil at prices related to the spot market, according to a variety of formulae negotiated with each company. On the other, it has been told by the Government not to declare the price it will pay for January supplies—a figure which will instantly become, whether the Government likes ti or not, the new official BNOC price.

It may well be that BNOC will continue in this limbo until beyond the end of the month and Opec's next ministerial meeting, by which time Ministers hope the price of oil will have risen further and Britain will be able to shuffle towards the next phase of its pricing policy in a calmer atmosphere. The other advantage of delay is that if the price BNOC pays for January oil is fixed retrospectively, the Government will know exactly the size of any trading loss BNOC would face by paying a higher price to suppliers than it gets from customers. Given the parliamentary criticism of last year's £45m subvention to BNOC, that may save some embarrassment.

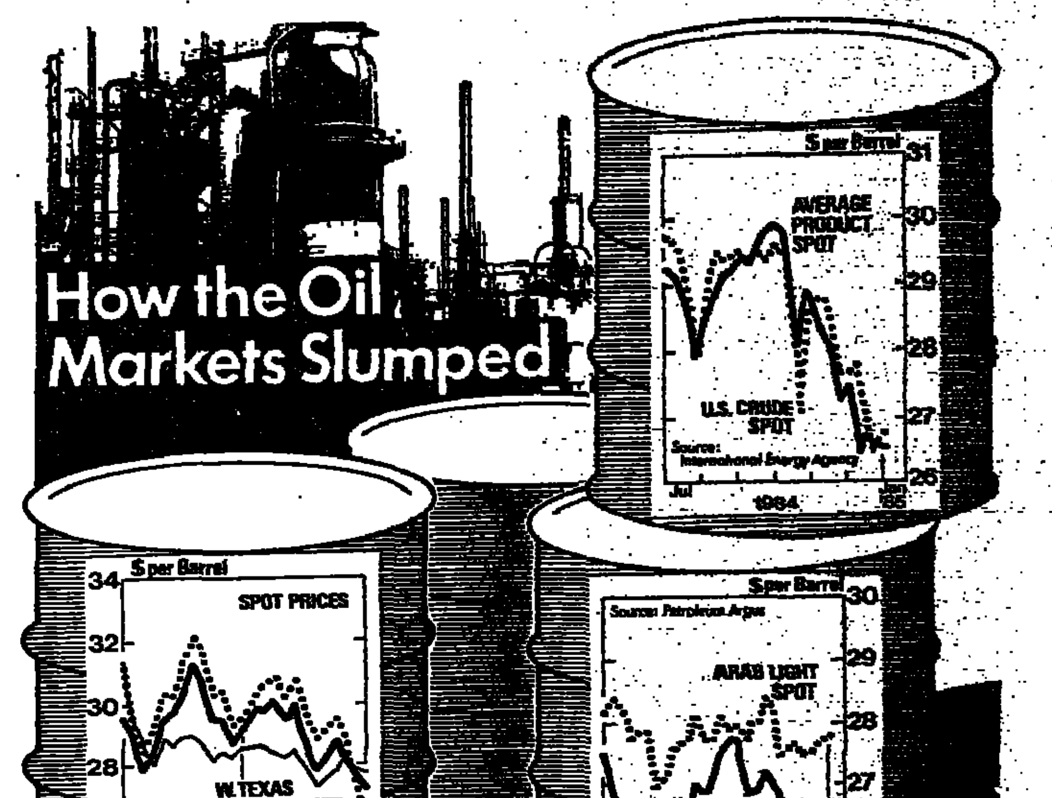
Energy ministers are, undoubtedly predisposed to retain BNOC and to cling to their influence in the pricing of Britain's most valuable commodity. BNOC would like freedom to negotiate around spot-related formulae for all its transactions.

Elsewhere in Whitehall, more radical voices think BNOC should be abolished. Others think, with some support from the oil industry, that the time has come for Britain to offer what Opec would most like—some restraint of production.

Norway's policy is similar to Britain's—to keep out of the limelight and keep the oil revenue rolling in. Meanwhile Opec still threatens a price war if either of the North Sea producers publicly do more to upturn the pricing applecart.

"It's like high noon every day," says one oil company. "Except that for anyone on the street to pull the trigger would be suicide." The best hope for those who fear a collapse in oil prices is that this atmosphere of sustained crisis will, assisted by cold snap, be sufficient to mould Opec into a unity it has lacked since the last major pricing crisis in 1983.

If it does not, the possibility of deregulated U.S. gas prices and a weakening UK coal strike cutting further into oil demand as spring arrives is a prospect no one with a stake in an oil price above $20 a barrel can face with any equanimity.



Brana Radovic

Men and Matters

Treasury to and fro

The Treasury has started the New Year with a reshuffle of middle ranking officials which is causing more than a flutter of interest among Whitehall watchers, especially as the moves are still officially classified as secret (sort of).

A casual call yesterday to the office of Rachel Lomax, the incisive assistant secretary for monetary affairs, elicited this guileless reply: "She's already moved, you know, to the Chancellor's office."

A little casual sleuthing uncovered the further fact that David Peretz, the Chancellor's bustling, private secretary has also moved—to Mrs Lomax's old desk.

A cursory analysis of the cigar ash in the corridors of power enables me to deduce that these moves are only the start of a more extensive shuffling of Treasury talent later this year.

David Peretz, it appears, is earmarked for promotion to under secretary to take over monetary policy from Tim Lankester. Lankester is to move to Washington as the Treasury's top man there. He will take over from Nigel Wicks, who is returning at the end of his spell in the land of Reaganomics to run the Treasury's central policy unit back in London. The present head of the central unit, Tony Battishill is expected to return to the Inland Revenue where it is generally expected that his star will soon ascend from the constellation of under secretaries.

For Mrs Lomax, who, in a manner of speaking, started it all, the move will mean long hours, late nights and hectic travelling to international meetings. As one insider remarked: "The only person who keeps worse hours is the Chancellor himself."

ICI's banker

Another director of merchant bankers Schroder Wagg is on the move to the industrial sector. Less than a week after Hugh Ashton's departure to the board of Hanson Trust, John Reynolds is to join ICI.

Reynold's move, though, is temporary. He is to take a year's secondment at ICI as the fourth member of the group's high-powered acquisitions team. Given that Schroder is already ICI's chief financial adviser (the other being Warburg), it is clear that ICI wishes to clasp the bank's financial expertise closer to its bosom.

The other three members of the new acquisitions team — which was closely involved in ICI's $750m takeover of Beatrice Chemicals last month —are all ICI men; David Nash, formerly ICI's assistant treasurer, John Dewhurst, a commercial manager in the UK and Europe, and Nick Ledger, an assistant manager in ICI's investment department.

Reynolds (36) was made a director of Schroders in July of last year, and has since been mostly occupied with the £20m London flotation of U.S. hi-tech company Process Systems, which took place in December. But eight years ago he was involved, in a junior capacity, in ICI's sale of its controlling interest in IMI.

"As a merchant banker," he says, "it's fascinating for me to get into the heart of an industrial group like ICI—I'm sure they're going to go for more acquisitions, and sizeable one too."

Before his recent return to the UK, Reynolds was based in Hong Kong as head of corporate finance for Schroder Asia. "I was there through the boom and the bust in the Hong Kong stock market," he says. "On the way up, I had to deal with big corporate acquisitions; on the way down, I had to deal with rescheduling corporate debt." One trusts that only the first part of his expertise will be required at ICI.

New trends

Once a year, the Government's statistical service makes up for all those boring figures it produces by publishing Social Trends, which shows the changing pattern of British life in a wealth of charts, tables and graphs.

It used to be issued just before Christmas, providing a fascinating stocking filler into which you could dip time and again to discover odd facts like how long you have to work to pay for a pot of tea.

The publication is now 14 years old, and as Sir John Boreham, permanent secretary in charge, said yesterday, it is "not yet, therefore, a school leaver" (table 3.10). In fact Social Trends almost failed its 11-plus. There was a move in 1981 to kill it off.

But this year's edition will be the last for Sir John, one of Whitehall's most cultivated civil servants. He is retiring in July, which means he will be moving statistically from table 4.1 (labour force and population of working age) to table 2.4 (pensioners).

He has been in charge of government statistics since 1978 and has been calculating away in government departments for 34 years.

His successor will have to face the challenge not only of continuing to produce the best available picture of how we live, but of containing the cost. This year's edition is the fourth consecutive Social Trends at the same price—£19.95—and it is doubtful whether this can be maintained for much longer without skimping the contents.

Chicago's show

London gets its first chance for over 30 years to see the works of the Russian artist, Marc Chagall, from tomorrow—thanks to his long friendship with an American banker.

William Wood-Prince, a director of the First National Bank of Chicago, met Chagall—now aged 97, the last survivor of the pioneers of modern art—during the 1940s when the artist was living in the U.S.

They have been friends ever since, and Chagall about 12 years ago designed a mural, The Four Seasons, for the plaza outside the bank's offices in Chicago.

When First Chicago heard that the Royal Academy was looking for a sponsor for an exhibition of Chagall's work, the bank promptly volunteered. "We are very pleased that our first venture into sponsorship in the UK should be one in which we have such personal ties and interests," says William Curran, chairman of First Chicago's London merchant bank.

Tip-top

Success is . . . when your name appears in everything but the telephone directory.

Observer

ECONOMIC VIEWPOINT

Still too many 'wets' at the top

By Samuel Brittan

WHAT you see depends on where you sit. It is frequently alleged that Mrs Thatcher has demoralised Whitehall by giving too many top appointments to people who support her policies. From where I sit it seems that far too many posts are being given to people who admirably qualify for the name of "wets" and who are unable to understand or implement, let alone support, any kind of market radicalism. I have frequently said that the Government itself sometimes seems so intent on avoiding Mr Heath's mistakes of the 1970s that it neglects the requirements of the 1980s and 1990s. But the appointments I have in mind are of those whose instincts are "Forward to the 1960s."

It is mainly at the very top of the Treasury that there has been some insistence on officials and advisers who, although essentially non-political (and who would be regarded as middle of the road in the U.S.), at least *understand* the monetary approach to inflation and the structural rigidities of the British economy.

At the Bank of England, the Prime Minister committed, as I pointed out at the time, the *cardinal error of appointing* in Mr Robin Leigh-Pemberton, a political sympathiser without the central banking expertise required to reform the Bank of England. Predictably, he has become a non-executive chairman figure; and the key chief executive role is now held by Kit McMahon, the Deputy Governor, just the person whom the Prime Minister wanted to avoid making Governor, but whose reappointment for five years has just been announced.

It is *not* Mr McMahon who wears horns. He is essentially a "conservative" with a small "c," whose instinct is to rescue a threatened institution like Johnson Matthey Bankers. It has never been explained why shoring up a participant on the gold market is a national interest or why relatively small loss-making banks should be treated better than loss-making mines. I hope David Owen will continue his campaign on the subject, despite establishment "tut-tutting."

Market radicals inside Whitehall tend to believe that the transfer of Norman Tebbit from the Department of Employment to Industry harmed both departments. At Employment, Mr Tebbit's populist instinct for weakening the unions coincided with national requirements, civil liberty and sound economics. In the department concerned with industrial handouts—some quite subtle such as subsidised export credit or "voluntary" import quotas—Mr Tebbit's populist instincts do not always tell him to turn away the begging bowls. Meanwhile the Department of Employment has a Minister, Tom King, "without strong preconceptions" (a fatal disqualification), which makes him unduly sympathetic to the basically pro-union ethos of that department and more inclined to "reform" than to abolish the employment *destroying institution of* Wage Councils.

Even at the Treasury, the Chancellor is unnecessarily overworked and has too little time for broader national and international economic issues, because he does not have in Mr Peter Rees a Chief Secretary in full command of public expenditure.

The particular "wet" appointments which have sparked me off this week are at the National Economic Development Council. When the Director-General's post became vacant in the last Parliament it seemed as if, at long last, the Government was following a market rather than an old-boy principle by advertising for the job.

But I reckoned without the three-man committee which was *carrying out the interviews and* making the recommendations. It comprised Sir Douglas Wass, then Treasury Permanent Secretary, Sir Terence Beckett of the Confederation of British Industry, and Len (now Lord) Murray of the TUC. Of these three, by far and away the most unreconstructed Keynesian, and opponent of the revived classical economics was Sir Douglas.

The chances of a radical appointment from that trio were nil. The chosen Director-General, John Cassels, a former civil servant, was variously described on appointment as "a traditional consensus man," "*not a known supporter of* Government strategy" and similar coded phrases.

Under his reign, the NEDC office studies have been preoccupied with sticking pins in the medium-term financial strategy (MTFS) and pressing for hand-outs to various industrial lobbies, ranging from heavy capital exporters to the construction industry.

Then came the appointment of Nedo's economic director Michael Posner. Although Mr Posner wrote for the left-wing New Statesman, when that weekly was much better than it is now, he is essentially an amiable seeker for common ground, trying to find points of practical agreement among people with different theoretical starting points.

But no one can jump out of his own skin. Mr Posner, like most macro-economists of his generation, finds the pay-jobs link puzzling, try though he does to come to grips with it.

But the place where Nedo does see a role for both wage restraint and higher productivity is in a way much more damaging. The route which is emphasised and heavily underlined is "international competitiveness"—a slogan which also turns up in many Tom King satements.

This might be arguable, although still problematical, if only the UK were suffering high unemployment. But when excess employment is worldwide and especially intense in Europe, this is essentially a beggar-my-neighbour approach.

Europe is already pretty competitive, in the limited Nedo sense against the U.S. because of the high dollar. But there is no way in which every country can become more competitive, except against the moon; and that is fortunately not yet practical politics.

It is possible for profitability to improve in all countries. It is possible for labour markets to be more flexible, for union monopoly to be reduced, and for obstacles to new enterprise to be removed. In contrast to the "be more competitive" slogan, they suggest ways in *which more jobs can be created* in all countries, without self-defeating attempts to create them in some at the expense of others.

The bigger document considered by NEDC was on public sector infrastructure. By an accident of timing another document arrived on my desk from the Adam Smith Institute *The Job Creation Machine* on the creation of jobs through *new and small firms* (PO Box 316, London, SW1P 3DJ). Both studies, the Nedo and the Adam Smith one, are flawed documents to those who are not national cheer leaders, but the Adam Smith one is a better starting point for future jobs policy.

The Nedo study was not supposed to be concerned with jobs at all, but with the management of the physical structures of the public sector.

It is suspicious, although hardly surprising, that after "100 structured interviews" with departments and spending authorities, the main deficiencies highlighted are of under-spending and backlog. Are there no examples of excessive spending? Are all those television series about local councillors swinging unnecessary contracts for their building concerns pure figments of the imagination? Nor is there much sign of a search for greater use of the profit and price mechanism which could improve fundamentals.

It was noticeable too that the NEDC document was deliberately linked, in a series of leaks last week, to the campaign for more Government infrastructure spending as a jobs gimmick. The leaked reports carefully overlooked the fact that the CBI (which is basically split on infrastructure spending) has recommended that any budgetary margin this year should be devoted to tax cuts.

The Adam Smith document does not entirely escape the temptation to lobby for special concessions for small and new firms, rather than simply removing obstacles.

But separating the wheat from the chaff, there are still in the Institute document more low-cost suggestions with jobs potential than in whole cupboards of Nedo documents.

The Institute has particularly interesting ideas for allowing staff of small firms to be treated as self-employed, thus freeing the owners from having to act as unpaid tax collectors. The Institute points out that the cost of collecting VAT from firms with a turnover of less than £50,000 amounts to 80 per cent of the yield. Even for turnover up to £100,000, *collection costs exceed 50 per* cent. The threshold should be raised to £100,000 (and then indexed).

A seminar spent with those who lobby or brief NEDC would be far more pleasant than with the small firms who briefed the Adam Smith Institute. But I know from which source, if any, the new jobs will come.

Prof Dick Sargent replies to the author of the letter which appeared on Dec. 20 turning down Adam Smith's Wealth of Nations.

The Chairman,
Economic Affairs Committee,
Economic and Social Research Council,
1 Temple Avenue,
London, EC4

Dear David,

Thank you for your referee's report on the "*Wealth of Nations*" proposal, which I read over Christmas. However, I must tell you that Dr A. Smith is a member of our Economic Affairs Committee at the ESRC whose work we respect.

I am surprised at some of your reasons for recommending the Committee to reject the proposal, although your account of it did leave me with a *certain sense of deja vu*. I might mention in passing that under our new Committee structure his ideas on productivity in the pin industry ought really to be evaluated by the Industry and Employment Committee, which might wish *to* ask whether he pays adequate attention to marketing and management structure; and also bearing in mind your strictures on his tendency to anecdotalism, that he could *benefit from the interest* which the Research Resources and Methods Committee is currently taking in survey methods. But on our own ground, his interest in statistics of wheat prices which you *mention is surely not to* be dismissed when we are trying to encourage more work on the *history* of prices and incomes.

Your complaint that Smith "speculates about motives" and your assertion that these have "long been banished" from economic models I find difficult to go along with when we have invested a good deal of our money in quantitative work which has advanced our understanding *of how people's motives are* affected by taxes and social security benefits. We are also heavily committed to research on the ways in which people respond *to risk*, information and other signals *which interact with those* motives. At one *point* you question the relevance of Smith's views about matching local government expenditure with local revenue. But this is clearly germane to work we are now trying to encourage on public expenditure and ways of providing public services.

Your attitude towards the political implications which you drag from Smith's proposal I find particularly ambivalent. You argue that we should reject it at one point because it says uncomplimentary things about our politicians and the private *sector and at another* because its advocacy of self-interest might offend the Bishop of Durham. However, all this is rather alien to us; we do not and will not make our decisions with an eye on *Priests or Pharaohs, including* those that know not Joseph.

I was rather puzzled by the postscript to your letter, which mentioned a booklet by one Samuel Brittan. Is he a friend of Smith's? Or is he *going* to ask us for a research grant?

Yours ever,
Dick.

Lombard

Wistful view of exchange rates

By Nicholas Colchester

THE TABLE of currency cross-rates at the foot of this column is a rather wistful compilation. It is based upon a recent study of purchasing power parities published by the OECD. It therefore shows the organisation's best estimate of what exchange rates would have to be for a given amount of money to buy the same quantity of goods and services in all the countries listed. It is interesting to reflect that one pound sterling would have to buy $1.82 in order to pay for the same amount of goods in America, not the $1.15 that the markets offer today, or that the pound should buy DM 4.24 rather than a meagre DM 3.65 as at present.

Interesting, but useless if you are looking for any sort of equilibrium exchange rate, or an "underlying reality" on which to base your marketing and investment decisions. The reality today, as my colleague Philip Stephens spelt out in this column a week ago, is that futures market hedgers and speculators, investment fashion, interest rate differentials, chartists and tax differences drive the capital flows that create today's real exchange rates. Arbitrage in goods and services has no longer the slightest hope of keeping up with their twists and turns.

*There are no statistics quanti*fying this dominance of capital or speculativa flows through the foreign exchange market over flows related to commercial transactions. But in a speech in 1984 Henry Wallich, Governor of the U.S. Fed, reported that only 15 per cent of the $26bn of daily transactions in the New York foreign exchange market in 1983 were performed for customers; the rest were between banks. Equally, he pointed out that this daily turnover was twice the U.S. daily GNP and ten times America's daily exports plus imports. Such figures, he said, reflected the way "exchange markets are asset markets that clear quickly if not instantaneously, and therefore dominate markets for goods and services which clear slowly."

So the table's usefulness lies not in the message that the real world has for today's exchange *rates but in interpreting* the messages of the exchange market for the real world. Thus the table doubly confirms that British export sales managers should not receive year-end bonuses for selling in the U.S. *and* German markets in 1984: they should be fired for failing to sell. It suggests that the only country in Europe in which the British traveller will find the cost of living the same as at home is Italy—all the rest are more expensive. *It tells us that* the Japanese cassette recorder sold in Britain for £100 earns the manufacturer only Y29,200 when it should really earn Y38,000. Yes, the famous "undervalued Yen" is now overvalued in the UK, though still undervalued against the U.S. dollar.

It is deeply unsatisfactory that such perversities, and such unreliable perversities, must now be regarded as facts of economic life. Western governments could have a little more influence over them if they liaised rather more on fiscal and monetary policy, and took account of tables like the one below in co-ordinating their approach. The forces now driving currency markets are formidable but the experience of the European Monetary System shows that the combined might of government policies still has sufficient clout to dampen their excesses.

PARITY PURCHASING POWER EXCHANGE RATES

	U.S.$	£	DM	Yen	FFr
U.S.$	1	0.549	2.330	209.0	6.740
£	1.821	1	4.244	380.7	12.28
DM	0.429	0.236	1	89.70	2.893
Yen	4.785	2.627	11.15	1,000	32.25
FFr	1.484	0.815	3.457	310.1	10
Lira 1,000	0.819	0.450	1.908	171.2	5.520

CURRENT EXCHANGE RATES

	U.S.$	£	DM	Yen	FFr
U.S.$	1	0.866	3.168	253.1	9.693
£	1.155	1	3.655	292.0	11.17
DM	0.316	0.274	1	79.89	3.056
Yen	3.954	3.425	12.52	1,000	38.25
FFr	1.034	0.895	3,272	261.4	10
Lira 1,000	0.516	0.447	1.634	130.5	4.994

Letters to the Editor

Spend money on jobs

From Mr R. Newton

Sir,—As unemployment continues to move inexorably upwards, with little hope of our ever returning to "full employment" under present policies, it has occurred to me that: (1) Many people would be willing to work shorter hours, as long as this was not accompanied by a major reduction in wages. (2) With robots becoming more advanced all the time, why should humans do monotonous or unpleasant jobs? On the other hand, who will support these people if they are not working? (3) The Government is spending roughly 17bn a year (including *lost revenue*) keeping over 3m people on the dole.

During the late 1960s and early 1970s manufacturing firms in some regions of the UK enjoyed a labour subsidy called the regional employment premium. At the time it was estimated that the REP created 45,000 jobs over four years at an annual cost of about £200m.

Surely such a subsidy could be manipulated to encourage more job-sharing? It seems to me that the only chance we have of ever returning to full employment is by radically changing British working practices: for example by: (1) Working less hours per day. (2) A shorter working week. (3) Longer vacations; and (4) Earlier retirement.

A subsidy on labour costs would probably have to be implemented regionally to avoid "leakage" to higher wages in areas such as London with fairly tight labour markets. Another problem is that such a subsidy must not be used to protect Britain's older industries. Our future lies with the service sector and high-tech.

Romour has it that the next Budget will see personal allowances raised in real terms. While this is a very admirable aim (since it should reduce the number of lower-paid people paying income tax), I am of the opinion that the money would be of greater benefit to Britain if it were spent on creating jobs for British men and women, and not on creating jobs for our competitors.

Russell Newton,
Fitzwilliam College,
Huntingdon Road,
Cambridge.

Product design

From the Director,
Engineering Design Centre,
University of Technology,
Loughborough.

Sir,—One has to smile at the international nature of the design defects detailed in the article on product design (December 21), since they confirm a long-held view of mine that even the Germans, with their *penchant for systematic* design, sometimes get it wrong. Since systematic design is to be recommended, such approaches, without the additional discipline of comprehensiveness, lead to the apparently "simple" defects *highlighted in the article.*

I would suggest that such defects are in effect "built-in" to the products at the commencement of design by failure to compile a comprehensive design specification, or brief as I believe Landor would call *it*. Such specification being of the product to be designed and not the product itself; the defects are thus *sins* of omission. So until comprehensive systematic design becomes the order of the day, design defects will continue to proliferate.

Extensive research and dissected practice in the field of both product and process design over the past 17 years reveals that such frailties are not the sole prerogative of the British and if one could harness British flair to systematic comprehensive design then the world will be our oyster. The alternative does'nt bear thinking about.

Stuart Pugh.
Loughborough, Leics.

Pakistan and democracy

From Sharif Lone

Sir,—I read your editorial on "India, Pakistan and democracy" (December 28) with great interest. Your carefully selected words on the undemocratic nature of the Government of Pakistan need no additional comment. Whereas the takeover by military in 1958 had some justification, it cannot be said of the current regime, I think democracy was functioning well for a country having a go at it for the first time when Zia took over *for* "90 days," as he put it then.

We know that in the previous elections, when people had a choice of political parties and ideologies, the so-called religious parties (Jamait-e-Islami and others) were rejected outright by the electorate. Zia knows that. The people of Pakistan know that. All he wants is to seek legitimacy and prolong his repressive regime by calling it "*Islamic.*" Surely, this was not the state visualised by Jinnah, the founder of Pakistan, who called Pakistan a state where religion is no business of the state and all citizens (Muslims, Hindus, Christians and women) enjoy equal rights and freedom. Pakistani people want a democratic Pakistan, where they can express their opinions without fear of persecution and not use the foreign Press for that purpose.

Sharif Lone.
Riedseestr 31,
6457-Maintal-2,
West Germany.

Privatise health and education

From Professor D. Myddelton

Sir,—The NEDO report (January 5) on public sector *infrastructure draws attention*, among other things, to inadequate government accounting. There appear to be no balance sheets for public sector education or for the national health service. In sticking to *cash accounting for these impor*tant service industries, the government is more than a hundred years out of date.

Governments also needlessly increase uncertainty by imposing their "one-year funding" approach on welfare state managers. They make a task which is already extremely difficult—in the absence of market signals from customers—almost impossible.

Given the pressures to short-term expediency, to which democratic politicians too often succumb, why not privatise both public sector education and the national health service? This would restore market signals, and generate both freedom of choice for customers and competitive pressures on producers. It could also reduce government spending by more than £20bn a year, and thus allow very significant reductions in taxation.

Professor D. R. Myddelton
Cranfield School of Management
Cranfield, Beds

Equities and pensions

From the General Manager,
Tunbridge Wells Equitable Friendly Society

Sir,—The performance of equities in relation to pensions provision discussed in the Lex column of January 7 gives a somewhat misleading impression. While the overall investment return appears to be impressive, the pension scheme trustee must consider the liabilities *to which this performance* is geared. Since 1955, fundamental changes in pension provision have taken place, particularly in the demand for final salary based schemes. In addition, mortality has been improving so that the liability for pensions is greater.

The investment performance is only one aspect which determines the viability of a scheme. Others, as fundamental, are the relationship between salary increases (and thus pension entitlement) and *yield*, the age *spread* of members and annuity rates available at retirement. In calculating funding levels all these aspects are given due weight. Those assumptions, however, if incorrect, can wipe out years of consistently good investment performance.

A classic example exists for most years during the 1970s when real returns were low, wage increments very high and, in consequence, the need to top up funds to meet the spiralling aspiration of members.

In addition, there have been the problems of past employees whose pensions have been severely eroded by inflation. Many employers have had to increase such pensions in payment by additional contributions.

While it may be true to say that equities overall have produced such a fine performance, for reasons of common prudence, a trustee could not in fact invest in one single investment medium. To suggest, therefore, that pension schemes might be in a position to afford additional taxation because at this particular time their assets appear *adequate, should not colour* long term and fundamental decisions affecting this vital aspect of employer/employee relations.

Peter Gray.
Abbey Court, St Johns Road,
Tunbridge Wells, Kent.

Government policies

From Mr J. Chettoe

Sir,—The last two paragraphs *of your editorial* of December 29 must have cracked some cynical smiles among those opposing the policies of the Government.

Why does the FT (and the Government) persist in talking about "*wages*" *rising too fast* rather than incomes or earnings as a whole? Is it the opinion of the FT that the wage earner is still paid too much in relation to the rest of society?

How is it that after several years of continuous Tory government committed vociferously to "paying our way in the world" and other phrases redolent of thrift and good husbandry, our national standard *of living has been and is being* bolstered significantly by selling off national assets and producing oil flat out, both from finite reserves?

I am not in the least reassured by your assumption that the Government is "clearly aware that . . . from about 1986 on we must start again to earn our living in a competitive world." Have we not been trying desperately to do this during the life of the Government and if not, why not?

J. A. L. Chettoe,
Parkfield Corner,
Sevenoaks, Kent.

FINANCIAL TIMES
Thursday January 10 1985

AUSTERITY BUDGET FORESEES SHARP FALL IN DEVELOPMENT SPENDING

Indonesia to minimise borrowing

BY CHRIS SHERWELL IN JAKARTA

INDONESIA, one of Asia's largest foreign borrowers, will borrow in the commercial market this year only on a small scale and in order to keep a presence there, according to Dr Ali Wardhana, the country's Co-ordinating Minister for the Economy.

He was speaking yesterday, about the austerity budget presented to parliament by President Suharto.

The budget foreshadowed a sharp 7 per cent decline in real development spending, as the country, Asia's largest oil and gas exporter, continues its painful adjustment to slow world growth and a soft petroleum market.

Figures released with the budget project a further significant improvement in Indonesia's balance of payments on current account to $3.25bn for the current fiscal year to April.

That compares with $4.15bn in 1983–84, which would have been far higher had the Government not acted to deal with the impact of falling oil prices by devaluing the rupiah and rescheduling dozens of big capital-intensive projects in 1983.

It is clear that containment of the current account deficit remains a priority in Indonesia's overall economic strategy. Projections for 1985–86 forecast only a marginally higher deficit of $3.4bn, which is smaller than that foreseen by the five-year plan which began less than a year ago.

Dr Ali Wardhana declined to specify the extent of Indonesia's commercial borrowing in 1985, but the total seems unlikely to be much more than a few hundred million dollars at best. "It will be small amounts," he said, "if the terms are right and the market is favourable."

That is well below the $1bn level indicated by the World Bank last year as tolerable annual commercial borrowing over the 1984-87 period, but it must be seen against Indonesia's highly successful forays into the international market in 1984.

Dr Ali Wardhana confirmed that none of the $750m loan secured last February had been drawn down, nor the Y40bn loans arranged in mid-year. About a fifth of the $1bn borrowing raised in 1982 also remained unused.

Indonesia also has a $600m revolving credit facility available for its use, a stand-by package which was arranged in dollars and yen last September. This also represents a cushion against a further sudden decline in the oil price, which remains the key determinant of the state of the country's accounts.

Indonesia's debt problem, although under control, nevertheless persists. Monday's budget confirmed that the Government's debt service payments in 1985-86 would rise by almost a third to Rp 3,560bn (about $3.3bn at current exchange rates), more than 28 per cent of its recurrent expenditure.

Total medium and long-term public debt is now above $24bn, making Indonesia Asia's third largest debtor, although both the maturity structure and breakdown between concessional and commercial borrowing are regarded as more than satisfactory.

The debt service ratio, for public sector debt and net of oil imports, is now thought to be around 23 per cent. Until recently it was expected to rise further over the next two-to-three years. In November, however, the Government ordered a ceiling on export credits of $1.5bn in the current year.

That decision, a reflection of the way export credit repayments had grown, was designed to contain the debt service figure. Dr Ali Wardhana said that, while debt service payments would rise again in 1986-87, the amount of the increase would be far less than in 1985-86.

Those decisions and the cautious, conservative approach of Indonesia's economic policy makers, have earned the country an excellent credit rating in the international capital markets, despite the gloomy oil picture. The Government appears determined to maintain this standing.

The Government also feels it cannot afford to loosen up domestically for fear of jeopardising the gains already achieved – a view shared by international bankers if not by those in domestic industry and commerce. Dr. Ali Wardhana was adamant yesterday that, with world economic growth and the oil outlook uncertain, the external position had to remain a prime determinant of strategy.

Israeli shipping line to seek state aid

BY DAVID LENNON IN TEL AVIV

ZIM, Israel's largest shipping company, with is in serious financial difficulties with debts totalling $510m, is expected to appeal to the Government for help.

Half of the debt is owed to Israeli commercial banks. If the shipping company collapses it could cause serious problems for the country's troubled banking system.

The company will need government guarantees in order to obtain additional credits, Mr Haim Stoessel, chairman, told the Knesset (parliament) this week. At present the Government guarantees $110m of the loans taken by the company.

Zim's annual revenue exceeds $700m, 60 per cent of it generated overseas. The company made an operating loss of $26.5m in 1983, however, and is reported to have lost over $40m in the first half of 1984.

The company maintains worldwide cargo services with a fleet of about 100 vessels with a combined deadweight tonnage of 2m. Its container fleet is estimated to be the second largest in the world. It employs 3,000 seamen and 1,500 workers ashore.

Mr Haim Corfu, Transport Minister, said: "A survey carried out by the company shows that cuts in staffing, both at sea and on land, are necessary. American ships of the same size as those operated by Zim are operated by a staff of 21 compared with the crew of 31 on the Zim ship."

While the shipping line is not a government company, the Transport Minister said a request for aid would be considered, and "if the company really makes an effort to become more efficient and profitable, we will help it."

The Israel Corporation, which belongs to the multi-millionaire entrepreneur Mr Shaul Eisenberg, owns 50 per cent of Zim. Mr Eisenberg also owns the majority holding in the bankrupt Ata textile plant which is being kept afloat temporarily by the Government while a buyer is sought.

Forty per cent of Zim shares are held by the Government and the remainder by Hevrat Ovdim, the industrial arm of the Histadrut, Israel's trade union federation.

Zim had managed to maintain profitability for many years despite the worldwide crisis in shipping, but falling revenues and a relatively outdated fleet plus investments in new ships pushed it into very rough financial waters.

Zim, which owns 49 of the ships it operates, is considering a recovery programme based on moving away from ownership to leasing according to need.

Another Israeli company reported to be in serious trouble is Beit Shemesh Engines, 40 per cent of which was purchased last May by United Technologies of the U.S., which owns the engine manufacturer Pratt and Whitney.

Beit Shemesh is scheduled to produce several hundred PW 1120 engines, under licence from Pratt and Whitney, for the Lavi military aircraft being developed by Israel Aircraft Industries.

After losing $40m last year, the company has an accumulated debt of $60m

Government backs Brazilian shipyards, Page 4

Big freeze threatens E. German industry

BY LESLIE COLITT IN EAST BERLIN

EXTREME weather has caused a critical break in the flow of East Germany's lifeblood, lignite, and led to the interruption of power output.

The closure of one of East Germany's largest power stations, which, like all the country's electricity plants, is fulled by the brown coal, illustrates the problems of a modern economy based on low quality but abundant fuel. Extreme cold weather in the winter of 1978–79 caused coal supplies to freeze, production to plunge and heavy losses among livestock.

Boxberg power station, in Cottbus district near the Polish border, stopped feeding electricity into the East German grid on Monday night. The 3520 MW giant is fuelled daily by more than 60,000 tonnes of brown coal moved by rail from nearby open cast mines. Temperatures of −27° C in Cottbus however, caused conveyor belts and rail tracks in the mines to freeze.

Factories in East Berlin and other cities were without power for most of Tuesday. Thousands of workers, soldiers and policemen in Cottbus worked to unfreeze the mining equipment by late Tuesday night.

The continuing very cold weather remains a daily threat to production of lignite and its transport to power stations. The coal, which has a water content of up to 60 per cent, freezes in unheated railway wagons. Stocks at power stations have grown since 1978-79, but they become frozen hills which must be blasted apart.

East Germany would like to switch its power stations to hard coal, but it has none. Neighbouring Poland needs all it can spare to ship to the West for hard currency, while East Germany cannot afford to import more coal from West Germany. Oil for producing energy is out of the question as the Soviet Union has already cut oil supplies by 10 per cent to 17m tonnes annually. Nuclear energy is being expanded, but not quickly enough.

Last year, East Germany mined 295m tonnes of brown coal, a world record it is proud of but would rather do without. Production is planned to rise to well above 300m tonnes annually in coming years to meet the demand of power stations and briquette coal plants. One important consequence is that air pollution, already among the worst in Europe, will become even more serious as East Germany does not have the money to install effective anti-pollution measures.

UK stock exchange body fails to agree on reforms

By John Moore in London

A COMMITTEE responsible for a radical reform of the constitution of the London Stock Exchange is to meet today in an effort to produce proposals which will gain the approval of the 52 members of the exchange's ruling council.

The move follows a meeting of the council yesterday at which no agreement was reached on important points of detail about the proposed constitutional changes.

The changes have been triggered by the regroupings taking place among British securities firms and the involvement of banks and other financial concerns with stockbrokers and stockjobbers (market makers).

At the second meeting this week of the ruling council there were wide-ranging differences of opinion over the amount of money outsiders should pay for entry to the stock exchange and the question of possible compensation payments to existing members.

Mr George Nissen, the senior partner of stockbrokers Pember and Boyle and chairman of the six-man ad hoc constitutional committee, said that yesterday's three-hour meeting of the council had "been thoroughly useful. The council appears to agree on the main philosophical points of our proposals, but obviously there are an infinite number of ways in which we can achieve our objectives which are extremely complex."

The committee is attempting to reconcile two main views of the council and the stock market. Those representatives from firms which have not forged outside links with banks and other financial groups argue that the existing membership owns the stock exchange and that those outsiders seeking access should pay a fair price for the use of the market's facilities and for gaining a proprietorial role in the exchange.

The counter argument, which is largely advanced by those representatives of securities firms which have forged links with outsiders, is *that the cost of entry should not be* prohibitive.

In an effort to reconcile the two views there has been considerable discussion about a compensation plan for the existing membership in an attempt to head off possible opposition. No definitive agreement has been reached on these details nor the method of implementation.

The constitutional changes will be put to a meeting of members in the next few months following the publication of a stock exchange White Paper (policy document) which will detail the options and the background behind the proposed plans.

The constitutional committee meets this evening and will be presenting the proposals again after redrafting key details at the next council meeting of the exchange.

THE LEX COLUMN

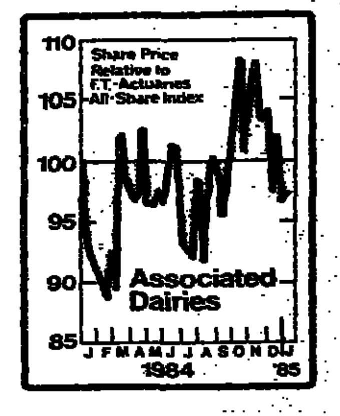
Weak link in the Asda chain store

It was a cautious Associated Dairies Group that presented its interim results to the City yesterday. At £53.7m, pre-tax profit for the 28 weeks to 10 November was some way below expectations, sending analysts scurrying to recalculate their sums for the full year. It seems that nobody quite realised how serious the effects of the miners' strike and the milk shortage would be on trading perhaps not even the company, which made no attempt to talk the market down in advance of the figures.

But there is a case for saying that these results are a hiccup. Neither the miners' strike nor the drought could be helped, and the other disappointing trading performances came from Wades Departmental Stores and Wallbridge Carpet Mills, which either have been, or are about to be, sold off. Investment income was some £2m below expectation as capital expenditure overtook cash flow. Since at the end of the last financial year, Asda was generating a return on capital of around 30 per cent, it would be ungracious to cavil at the company's running down its cash pile – particularly since that will be boosted soon by the proceeds of the Wades sale.

The underlying performance of the group was perfectly respectable. Asda Stores, which contributes over 80 per cent of profits, saw a real volume gain of 2.6 per cent on existing stores, rising to 8.5 per cent when new stores are included. And margins rose from 4.75 per cent to 4.9 per cent. Allied Carpets, meanwhile, is forging ahead.

In the short term, the shares which fell 10p to 146p yesterday, may be dampened by the miners' strike. But on a multiple of around 17, several points less than J. Sainsbury, they do not look outrageously expensive taking a longer view.



SGT/P&O

Yesterday's suspension of the P&O and SGT shares was one of the less surprising incidents of the day. Sir Jeffrey Sterling has prepared the ground so carefully in the past few months that even before yesterday morning the only question in London's mind was who would take over whom and at what price.

A takeover of SGT by P&O seems to be the preferred route, not least because it would avoid difficulties with P&O's charter status. Moreover, as P&O is still the more vulnerable of the two companies, it would reduce the risk of an awkward counter-offer. The most compelling reason for doing it this way, however, is that a SGT takeover would further demoralise a P&O management which has been shaken quite sufficiently by Trafalgar House and the steps taken by Sir Jeffrey to repel it.

On the assumption that SGT disposes one way or another of its P&O holding, the combined company would sport an attractive debt/equity ratio of about 40 per cent, an improved match of dollar assets and liabilities and an earning potential which should permit P&O to continue with its existing dividend policy.

If the two companies agree to trade paper on roughly a five-for-one basis and some way can be found to bridge the income gap between the two groups of shareholders there should be little opposition from either side.

Hanson Trust

The London stock market has contributed more to Hanson Trust's pursuit of Powell Duffryn (PD) than a library of offer documents could ever have done.

Hanson's exquisite timing guaranteed PD and its advisers an unhappy Christmas but, since the bid was first announced, their problems have been compounded by a rise in the Hanson share price which has added 16 per cent to the value of its all-paper offer.

Yesterday's defence document was a bold and carefully argued affair but it made no impact on a market which, to judge from the relative share prices, already has grave doubts about PD's future as an independent public company. The PD price finished the day unchanged at 438p, 10p shy of the Hanson offer.

The rise in the Hanson price has further depleted PD's limited armoury. The bid stands way above PD's historic cost net asset value and within striking distance of current cost net worth. So the target has had to concentrate its arguments on a profits recovery of recent provenance and the loss of income which would follow from acceptance.

A profits forecast of £19.5m pre-tax – or £22m after stripping out the effects of the miners' strike – for the year to March is perfectly respectable but will not cause Lord Hanson to lose his sleep. The key question is whether, in the next week PD can persuade the institutions that its existing management can produce a sustainable return on capital high enough to justify the share price at its present level.

As an amalgam of activities not wholly dissimilar from Hanson, but with nothing like the record, the company faces an uphill struggle in the London stock market.

Conflicts code

The Council for the Securities Industry has launched a complex draft code of conduct on conflicts of interest, and it may derive some comfort from the likelihood that it will not be around to put it into practice. That dubious pleasure will be enjoyed by the new quasi-statutory investor protection authority and its various subsidiary agencies.

The CSI is certainly taking a tough line, with promises of monitoring and disciplinary machinery, and spot swoops by investigators to keep practitioners up to the mark.

The CSI has taken a fairly relaxed view of conflicts of interest in the past, in areas such as the combination of investment management and new issue flotation under one roof. Now, however, the prospect of multiplying conflicts as a result of the City revolution is plainly causing some alarm in high places.

The draft code is a fair first attempt, though it inevitably suffers from an excess of broad principles such as "the practitioner must at all times act fairly towards his client." In practice, more specific codes will have to be developed over the years for different types of activity.

At any rate the paper industry should benefit from the provision that "full and fair disclosure of all material facts, and interests shall be made to a client before entering into any transaction or giving advice."

Demand for oil set to exceed Opec ceiling

Continued from Page 1

oil stocks – provide Opec can assert tight discipline over output.

A prolonged bout of cold weather in the Northern Hemisphere could also be of crucial importance to its chances of maintaining a equilibrium between supply and demand.

Within the industry there is debate on to what extent inventories can be run down further without their falling below minimum operating levels or statutory obligations. The general consensus is that the reduction would no be more than 2m b/d in the first quarter.

The IEA calculates an average drawdown during the fourth quarter of 1984 of 800,000 b/d, with government stocks (mainly those of the U.S. and Japan) rising by 400,000 and those held by companies by 1.2m b/d.

At the end of last year total stocks held on land in member states of the Organisation for Economic Co-operation and Development were equivalent to 90 days of forward consumption compared with 92 days at the end of 1984, according to the IEA. Those held by companies were down from 75 days to 71 – the lowest level for eight years.

The IEA estimates that oil consumption outside the Communist world increased by 2.4 per cent in 1984 compared with the previous year, the first increase since 1979. The increase in supply of 1.4m b/d required to meet it came "almost entirely" from non-Opec producers.

Opec's crude supplies during 1984 as a whole are reckoned by the IEA to have run at 17.2m b/d.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	1	34	Dubrovnik	C	7	45	Malaga	D	10	50	Salzburg	S	-13	9
Akrotiri	F	19	66	Faro	S	6	48	Malta	C	11	52	Seoul	C	2	36
Algiers	F	8	46	Florence	F	-1	30	Manila	C	31	88	Singapore	S	30	86
Amsterdam	Sn	-2	28	Frankfurt	C	-11	12	Miami	S	11	52	Stockholm	F	-11	12
Athens	F	15	59	Funchal	F	17	63	Milan	S	-6	21	Strasbourg	S	-12	10
Bahrain	S	18	64	Geneva	S	-11	12	Moscow	C	-12	10	Sydney	C	36	97
Bangkok	S	33	91	Gibraltar	F	13	56	Munich	S	-13	9	Taipei	C	15	59
Barcelona	S	1	34	Guernsey	F	5	41	Nairobi	S	25	77	Tangier	S	13	55
Beirut	C	20	68	Helsinki	Sn	-12	10	Naples	C	2	36	Tehran	–	–	–
Belgrade	C	-11	12	H Kong	C	14	57	New Delhi	F	20	68	Tel Aviv	S	26	79
Berlin	F	-13	9	Innsbruck	S	-11	12	New York	F	-9	16	Tenerife	F	20	68
Biarritz	C	2	36	Inverness	C	3	37	Nice	S	0	32	Tokyo	S	9	48
Blackpool	Fg	-3	37	Istanbul	R	3	37	Oporto	S	6	43	Toronto	F	-22	-8
Bordeaux	S	-1	30	Jersey	C	5	41	Oslo	C	-9	16	Tunis	C	5	41
Brussels	Sn	-5	23	Jo'burg	S	29	84	Paris	C	-4	25	Valencia	S	6	43
Budapest	S	-3	16	Las Palmas	F	21	70	Prague	S	-17	01	Venice	C	-3	27
B Aires	S	31	87	[illegible]	S	25	77	Reykjavik	F	-1	30	Vienna	C	-10	14
Cairo	C	24	75	Lisbon	S	4	39	Rio de J'o	R	35	95	Warsaw	S	-1	12
Cape Town	[illegible]	23	73	Locarno	S	2	36	Rome	T	1	34	Zurich	S	-19	0
Caracas	C	27	81	London	C	1	34								
Casablanca	F	15	59	Los Angeles	F	10	50								
Copenhagen	S	-7	19	Luxembourg	Sn	-13	9								
Corfu	F	12	54	Madrid	S	-1	30								
Dublin	C	2	36	Majorca	F	7	45								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

P & O in final stages of merger negotiations

BY MARTIN DICKSON IN LONDON

PENINSULAR and Oriental Steamship Navigation (P&O) and Sterling Guarantee Trust, the UK property and services group, are in the final stages of negotiating a £750m ($855m) merger.

Shares in the two companies – both of which are headed by Sir Jeffrey Sterling – were suspended on the *London Stock Exchange* yesterday as their financial advisers worked on the details of terms which are likely to be made public early on Monday.

A merger had been widely expected after Sir Jeffrey's appointment as chairman of P & O in November 1983 and his successful defence of the company against a takeover bid by Trafalgar House, the British shipping and construction group.

A merger would bring together two companies whose traditional businesses – shipping and property – are very different, but which have diversified into related fields.

P & O, receives about 25 per cent of pre-tax income from Bovis, its construction subsidiary, while service industry activities – such as catering and industrial distribution – account for an increasing proportion of Sterling Guarantee's earnings.

P & O has a market capitalisation of £463m at yesterday's suspension price of 325p, compared to £301m for Sterling Guarantee, whose shares were suspended at 74p.

Sir Jeffrey said yesterday that, when combined, the two would form a "very powerful company with a strong balance sheet." Both were basically service companies "offering a particularly good mix of management skills and synergy in rather exciting areas."

City of London analysts, while reserving full judgment until they saw the terms of the deal, were equally enthusiastic about the strategic logic of a link.

Mr Alan Kelsey of brokers Kitcat and Aitken, said: "It has got to be good news. P & O has very strong cash flow and under-utilised assets which good management could do much with."

The expectation in the market last night was that the merger would take the form of a bid by P & O for Sterling Guarantee, rather than the creation of a new holding company, and that the terms were likely to be around one P & O share for every five of Sterling Guarantee.

Sterling holds a 20 per cent stake in P & O and there was speculation that it would sell this via a placing in the market before concluding the merger.

Institutions are believed to hold more than 50 per cent of the equity in both companies and their attitude to the merger terms will be vital. The indications last night were that institutional investors saw much to commend the logic of the alliance.

Both companies have prospered under Sir Jeffrey's leadership. After the UK property crash of 1974 he nursed Sterling Guarantee – then called Town and City – back to pre-tax profits, which reached £16.4m last year. P & O saw pre-tax profits in the first half of 1984 more than double to £21.1m under his leadership.

Soviet sales hit recovery in diamonds

By Kenneth Marston, Mining Editor, in London

CUT-PRICE sales of good quality Soviet polished diamonds in Antwerp partly stalled the recovery in the world diamond market last year. They competed with gems from Western sources which, priced in strong U.S. dollars, became expensive in terms of European currencies.

The Soviets later reduced their sales of polished diamonds to more normal levels at higher prices, but they still had an impact on the world sales of rough (uncut) diamonds handled by the South African De Beers groups Central Selling Orgnisation (CSO).

The CSO, which controls the marketing of over 80 per cent of world diamond production, saw its sales in the second half of 1984 fall to $668m from a much-improved $945m in the first six months. The year's total was thus only slightly above the $1.6bn recorded in 1983.

Because of the weakness of the South African rand – down 42 per cent against the dollar last year – the CSO sales in rand terms amounted to an increased R1.13bn ($541m) in the second half of 1984. The year's total of R2.3bn against R1.77bn is still disappointing.

The Soviets may have adopted their aggressive selling policy for polished diamonds because of a decline in dollar revenue caused by falling gold prices.

They are usually careful not to unsettle the gold and diamond markets, and may have been persuaded to return to the fold by concern at the effect their sales were having on the market for rough diamonds.

Mining, Page 23

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday January 10 1985

Slowdown at Colt in fourth quarter

By Our Financial Staff

COLT INDUSTRIES, the diversified U.S. industrial products manufacturer, yesterday reported reduced earnings growth in the fourth quarter, with some divisions beginning to feel the effect of the slowdown in the U.S. economic recovery.

Net earnings edged up from $30.6m or $1.23 a share to $32.4m or $1.60, while revenues rose from $417.8m to $467.1m. This took net earnings for the year to a record $132.2m or $5.99 a share from $98.2m or $4.01, while revenues advanced from $1.58bn to $1.87bn.

Mr David Margolis, president and chief executive, said: "All four of our industry segments were up in both sales and operating income and most divisions posted gains over 1983."

Gains in operating income in the first three quarters of the year were greater than in the fourth quarter.

The company's total order backlog was up 5 per cent at the year end, compared with the year before.

The slowdown in earnings growth had been expected on Wall Street, and in early trading yesterday Colt's shares edged up $¾ to $51½.

Colt's products include vehicle parts, aerospace products, diesel engines, pumps and special steels.

Military, car and truck markets are expected to remain strong contributions this year, while more active commercial aviation markets may boost demand for landing gear and jet engine parts.

● Parker Pen, the leading maker of high quality writing instruments, reported net earnings for the third quarter down from $5.14m or 30 cent a share, to $4.83m or 28 cents. Nine month earnings also fell, from $10.16m or 60 cents a share to $8.34m or 49 cents. The latest nine-month figure includes an extraordinary gain of $891,000.

Revenues for the quarter increased from $184.6m to $219.24m, and for the nine months from $528.4m to $647.8m.

U.S. agency gives go-ahead to FCA recovery plans

BY OUR FINANCIAL STAFF

FINANCIAL CORPORATION of America (FCA), the U.S. thrift institution which came close to collapse last summer, received a boost for its recovery strategy when U.S. government regulators approved its plans to reduce its assets to about $24.5bn from about $32bn.

FCA said the Federal Home Loan Bank Board, "responded favourably" to the company's 1985 business plan, which also provides for the raising of net worth to 4 per cent of assets by the end of the year, in line with regulators' wishes.

However, Mr William Popejoy, who replaced Mr Charles Knapp as FCA chairman last year, warned: "We realise that we have set ambitious objectives for this year which can only be met if a reasonably favourable interest rate climate prevails in 1985.

"We feel the achievement of the 4 per cent net worth requirement is an essential goal in rebuilding the strength and vitality of this institution."

Mr Popejoy said the company believed the plan would increase the financial strength of American Savings and Loan, the main operating subsidiary, and reduce its exposure to interest rate risk. FCA's problems stemmed originally from a serious mismatching of assets and liabilities

Other objectives for American Savings include:

● Completion in early 1985 of an independent review of the company's property portfolio to determine the adequacy of loan loss reserves;

● Meeting or exceeding regulatory liquidity requirements on a monthly basis throughout 1985;

● Reducing the one-year gap between rate sensitive assets and liabilities;

● Maintaining the stability of savings deposit flows;

● Continuing to reduce the premium paid for savings.

Tidewater rejects Jacobs takeover bid

BY TERRY BYLAND IN NEW YORK

THE PROPOSED $415m takeover of Tidewater, the oil rig service group, by an investor group led by Mr Irwin Jacobs, has been rejected by the Tidewater board.

Mr Jacobs, who is barred from launching an unfriendly bid by a standstill agreement, said he expected the two sides to covene again today. "I hope we can continue to have a dialogue," he said. He had not "given up" on his offer of between $25 and $28 a share, which he described as fair.

The Tidewater directors said the offer "did not reflect Tidewater's value," also indicating that it rejected the programme of asset sales imposed as a condition of the offer.

The required sales would have stripped the company of its oil and gas compression businesses. Mr John Laborde, chairman of Tidewater, said the board was advised that it was highly unusual for a bid to be conditional on such major corporate changes.

The Jacobs group holds 8.9 per cent of the Tidewater equity and is barred from taking more than 15 per cent under a standstill agreement in force until next October.

Tidewater stock eased $½ to $18¾ after the board's announcement, which had been expected on Wall Street. When first proposed in early December Mr Jacobs' terms were well above the stock market price and pushed the stock over $23 at one time.

Wall Street analysts, while not unhappy with the bid terms, had, however, sensed the Tidewater board's intended rejection.

Midland Bank ratings lowered

By Our New York Staff

MOODY'S and Standard & Poor's, two of the major U.S. credit rating agencies, have downgraded certain of the Midland Bank group's debt obligations. The moves follow continuing problems at Crocker National, the UK group's ill-fated California banking subsidiary.

The downgradings, which will make it more expensive for Midland to borrow in sections of the U.S. credit markets, come less than a week after Crocker revealed that worsening loan problems had forced it into a further $214m loss in the 1984 fourth quarter, bringing its total losses last year to $324m.

Last week Midland disclosed that it had been forced to invest another $250m in Crocker and make available to the company more than $100m in interbank credits.

Moody's has lowered its ratings on Midland American Capital's guaranteed notes from AA2 to AA3. The notes are guaranteed by the UK parent. Moody's also lowered to prospective AA3 from AA2 the rating of $250m in unsold Midland debt filed under a $400m 1983 shelf registration.

The rating agency said the downgrading reflected its belief that Midland's investment in Crocker "will continue to provide disappointing returns to Midland for the intermediate future."

Moody's added: "The investment, which now totals $1.2bn, has resulted in an inordinately large distribution of Midland's capital resources to Crocker and has impaired capital formation."

Moody's also noted: "Midland's profitability and asset quality, excluding Crocker, continue to improve." Midland's top-notch Prime-1 rating for commercial paper remains unchanged.

Standard & Poor's is lowering the subordinated debt ratings on Midland to A from AA-minus and the commercial paper ratings of the bank and its wholly owned Canadian subsidiary to A1 from A1-plus. The changes also affect related letters of credit backed by the banks.

Diamond chief says merger unacceptable to shareholders

DIAMOND SHAMROCK chairman Mr William Bricker said yesterday that the directors unanimously rejected a proposed $3bn merger with Occidental Petroleum because the final terms were unsatisfactory to shareholders.

Mr Bricker explained that initial discussions indicated the proposed one-for-one exchange of stock would give shareholders a premium of $6 to $7 a share and a larger dividend.

The value of the deal dropped, however, when Occidental's stock declined after the merger talks were confirmed last Friday.

"Rather than $6 or so, they would be receiving significantly less," Mr Bricker said.

The board objected to the extent of management changes proposed in Diamond Shamrock, which would have become a wholly owned subsidiary of Occidental.

"The board decided barrels of oil are not all we should look at, because you have to have a management team that can turn those barrels into dollars," he said.

Mr Bricker said that at first he had favoured the merger, but his mind was changed on Monday during an intensive review of the proposal at a 4½ hour board meeting.

Until then directors had only had access to "a small batch of public literature," he added.

Mr Bricker said he would have not been part of the merged company, but instead would have been reimbursed with $5.2m for the remaining six years of his contract.

Occidental stood to benefit by getting a group of high quality assets, financial flexibility and "top-flight management people," Mr Bricker said.

Mr Bricker said Diamond Shamrock "definitely" was no longer for sale.

Occidental is the 13th largest U.S. petroleum company ranked by assets and Diamond Shamrock, which also has chemical and coal operations, is the 19th largest.

The merger would have created the ninth largest U.S. oil concern.

Reuter

Axel Johnson sells UK oil and gas interests

BY DOMINIC LAWSON IN LONDON

CHARTERHOUSE PETROLEUM, one of the UK's fastest growing oil and gas companies, is to acquire all the UK oil and gas exploration interests of the Swedish Axel Johnson Group.

In return for an immediate issue of 3m Charterhouse shares – currently worth 104p each – the UK company will acquire interests ranging between 4 per cent and 24 per cent in eight North Sea blocks, two of which contain oil or gas discoveries.

As a result of the deal, Charterhouse will acquire 4 per cent of the Amethyst gas field, and more than 10 per cent of block 29/8b, which has been dubbed the "Acorn" oilfield by its operator, Premier Consolidated Oilfields.

Charterhouse will also gain a 24.2 per cent stake in block 29/9b, which contains a geological structure on the same trend as the 29/8b discovery.

Charterhouse's deal is seen as something of a coup, particularly as another UK exploration company, Berkeley Exploration, last month issued shares to the value of £1m ($1.14m) to buy only 1 per cent of 29/8b and 1.8 per cent of 29/9b.

Charterhouse is making a habit of buying up the North Sea interests of foreign companies.

Last year it carried out similar deals involving the U.S. company Fluor and the Dutch state company DSM.

Charterhouse said yesterday that it would be spending £4m on exploring the Axel Johnson acreage this year, which is as much as the Swedish company had spent on the properties since 1966.

● Britoil, the UK's largest independent oil company, yesterday said that it was joining in 50/50 partnership with Amax, the U.S. minerals company, in a $16m acquisition of a mature oil producing area in Texas.

The reserves to be acquired are estimated at 2.3m barrels of oil. Last February Britoil spent $83m in acquiring 50 per cent of the major portion of Amax's U.S. oil and gas assets.

At that time the two companies formed a joint venture to explore and develop in the U.S.

Britoil plans to make another deal of similar size to the first Amax deal in the near future, in order to develop faster in the U.S.

G&W sells off sugar interests

GULF & Western Industries, the big U.S. conglomerate, has completed the sale of its sugar and related operations in the Dominican Republic and Florida to a group of investors led by the brothers Alfonso and J. Pepe Fanjul. Terms were not disclosed, but G&W said it recovered the carrying value of the operations at a little more than $200m.

□ NUTRI SYSTEM, the Pennsylvania company which owns and franchises slimming centres throughout the U.S., said an investor group which had agreed to acquire it for $9 per share, or a total of $87.3m subject to adjustment, is unwilling to proceed with the deal. The company had given the group an extension until January 18 to obtain the required financing.

□ HALL'S MOTOR Transit said a group of executives had acquired a majority interest in the company from its parent Tiger International, the U.S. air freight group, in a leveraged buyout.

Hall's said the group was headed by Mr Alvin Bodford, vice-president for finance and administration, who replaces Mr James A. Cronin as president and chief executive officer. Terms were not disclosed.

Mitel stands by switching system

By Robert Gibbens in Montreal

MR MICHAEL COWPLAND, chairman of Mitel Corporation, said his company remained fully committed to the SX 2000 switching system but still needed advanced software before the major push could be made in the U.S. market.

Analysts' reports in the past few weeks have suggested that the Canadian group could not stand the huge development costs of the SX 2000 much longer and that it needed a stronger marketing method in the U.S.

The SX 2000, which integrates several thousand lines of voice communication with data and text in a single compact system, was delayed in production for more than a year, mainly because of software problems.

Mitel reported a loss of C$32.1m ($24.7m) on revenues of $263m in the nine months to November 23.

The company's bank credit lines totalling $100m have been extended from last October 31 to April 30.

Mitel hoped to marry the SX 2000 with IBM office products, but the deal fell through in 1983. IBM since have bought Rolm Corporation in the U.S., which is expected to announce a competitive product soon.

Mr Cowpland said Mitel have been "in a field trial mood" in the U.S. because the SX 2000 needs more advanced software. The company have sold about 70 units in the UK, but prospective U.S. customers need different software features.

Mr Cowpland said Mitel had signed up three more regional dealers in the U.S. in December and hoped to add several more in the next month.

● Northern Telecom will lay off nearly 400 workers at a major Montreal plant making telephone transmitting equipment, reducing the workforce to 1,900. The company said seasonal factors in domestic and U.S. markets partly explained the move, but in the long term demand for the equipment made at the plant would decline as new technology was introduced.

Sanyo to launch microchip division

SANYO Electric said yesterday that it would set up a division to manufacture very large-scale integrated (VLSI) circuits for fully fledged operations in the semiconductor field.

The Japanese group plans to build a new assembly plant in Gifu Prefecture, central Japan, to fabricate tate arrays and charge-coupled devices (CCDs) at a cost of Y12bn ($5m) this year, according to Mr Kaoru Iue, president of Sanyo.

He added that Sanyo planned to raise the ratio of semiconductor and electronic components sales to the group's total sales from the present 18 per cent to 34 per cent.

The company is hoping to achieve an annual production of semiconductors worth some Y1bn this year, with an estimated Y100bn five years later he said.

● Samsung Semiconductor Telecommunications hopes to begin marketing 256K dynamic random access memory (RAM) chips in May this year.

Lee Hwal-Yong, general manager of the company's public affairs division, said Samsung had already produced sample chips.

He added that the samples had been sent to 76 companies, including 30 U.S. computer makers and 18 European companies.

Samsung started trial production of the chips last October. It is now awaiting responses from prospective clients.

The company is the semiconductor maker of the Samsung group, one of the largest business conglomerates in South Korea.

Samsung opened a chip-making factory last year and began exporting 64K D-Ram chips. In 1984, it exported about $20m worth of the 64K semiconductor chips and has projected that it will export $120m worth this year, Mr Lee said.

Samsung began building a second chip-production plant last August. The factory is designed for mass production of 256K chips. It is scheduled to be completed next month, according to Mr Lee.

Samsung intends to invest 250bn won ($303m) in its semiconductor business this year and has spent 150bn won on building the second factory, Mr Lee said.

Samsung is one of three South Korean companies plemning to produce 256K D-Ram chips this year. The other two are Hyundai Electronics and Gold Star Semiconductor.

Agencies

Genting to participate in Perth resort development

KUALA LUMPUR — Genting, the Malaysian casino, property, and plantation group, plans to participate in the financing and management of a resort near Perth, Australia, which will include a 400-room hotel, convention and exhibition centres, and a casino.

The Government of Western Australia has granted Tileska Pty the right to develop the site on Burswood Island in conjunction with Dallas Dempster, who will participate through a family company called Dempster Nominees. Genting will manage the resort.

The resort's assets will be owned by a proposed property trust to be known as Burswood Property Trust.

The trust's equity will comprise 120m shares of A$0.50 each and 60m options to subscribe for shares of the same price. Of the equity, 60m shares will be issued to Genting, 60m shares and 30m options to Dempster and 30m options to Tileska.

The public will be invited to subscribe for a further 100m shares in the trust, which will be listed on Australian stock exchanges.

Genting said it expects to finance its participation in the trust from internal financial resources. It will also issue guarantees totalling A$15m (U.S.$12.2m) to financial institutions for a period of two years in relation to financing facilities to be extended to Dempster. Its participation is subject to legislation by the Western Australia parliament.

The company also announced that it has reached an agreement with Aitco Pty to provide management services to a casino to be located in Adelaide, *South Australia.*

● **Bumiputra Malaysia Finance** (BMF) in Hong Kong will not be closed down, said Basir Ismail, the chairman of Bank Bumiputra Malaysia (BBM).

It had been reported in Hong Kong that BBM would close its wholly-owned subsidiary because of BMF's inability to collect more than 2.5bn ringgit ($1bn) it had loaned to Hong Kong property companies, Carrian and Eda and to businessmen in Hong Kong from 1981 to 1983.

BBM also announced that Basir would be the new chairman of BMF replacing K. Mushir Arif.

Agencies

Islamic banking group seeks London licence

BY DAVID RUDNICK

DR SANI EL-DARWISH, chief executive *of the Dar al-Maal* al-Islami (DMI) Islamic banking group, said yesterday that DMI continued *to be interested in* obtaining a deposit-taking licence in London. He added that he understood the reasons why the Bank of England remains chary of admitting Islamic institutions.

DMI's (which was founded in 1981 and is in the process of raising its capital to $478m) chief said he thought that reservations expressed by Mr Robin Leigh-Pemberton, the governor of the Bank of England, *were* "completely logical and sensible."

Last October Mr Leigh-Pemberton made a rather bleak statement on London's attitude to Islamic banking (which *outlaws interest* and rewards depositors in other, more uncertain ways). He said then that since there is no capital certainty for the depositor as to *his original* deposit, nor certainty as to the rate of return on it, Islamic banking does not accord with what most see as banking.

Yet DMI's big Islamic banking rival, the Al-Baraka group, has managed to obtain LDT status in London through its acquisition in 1983 of Hargrave Securities, which it re-named Al-Baraka International.

DMI's latest annual report shows that the group made a net loss of $19.5m in the year ending June 1984, against a loss *of $27.9m in the year ending* June 1983.

Dr el-Darwish said DMI was now drawing much more of its income from the provision of long-term financial services, and less from short-term Islamic transactions. Despite the group's losses, he said that about $120m had been paid out to clients as revenue on their investments.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	123	Ass. Brit. Ind. Ord.	142	—	6.6	4.6	7.9	9.4
149	135	Ass. Brit. Ind. CULS	149	—	10.0	6.7	—	—
77	52	Airsprung Group	53	—	6.4	12.0	5.8	7.1
42	26	Armitage and Rhodes	41	—	2.9	7.0	5.7	8.8
135	108	Bardon Hill	135	+ 1	3.4	2.5	13.6	22.7
58	42	Bray Technologies	49	—	3.5	7.1	5.7	8.1
201	173	CGL Ordinary	173	—	12.0	6.9	—	—
152	114	CCL 11pc Conv. Pf.	114	—	15.7	13.8	—	—
804	100	Carborundum Ord.	804	—	5.7	0.7	—	—
86	84	Carborundum 7.5pc Pf.	86	—	10.7	12.4	—	—
103	72	Cindico Group	72	− 2	—	—	—	—
73	51	Deborah Services	65	—	6.5	10.0	6.1	10.0
240	182	Frank Horsell	240	—	—	—	8.6	12.8
208	170	Frank Horsell Pr.Ord 87	208	—	9.6	4.6	8.3	10.8
31	25	Frederick Parker	30	—	4.3	14.3	—	—
50	33	George Blair	49	—	—	—	3.3	6.6
50	28	Ind. Precision Castings	28	—	2.7	9.6	7.8	8.3
218	200	Isis Group	200	—	15.0	7.5	7.9	14.4
124	105	Jackson Group	105	—	4.9	4.6	4.5	9.5
285	213	James Burrough	282	—	13.7	4.9	10.0	10.0
93	83	James Burrough 9pcPf.	93	—	12.9	13.9	—	—
85	71	John Howard and Co.	85	+ 1	5.0	5.9	8.7	12.3
147	100	Linguaphone Ord.	147	+ 1	—	—	—	—
100	93	Linguaphone 10.5pc Pf.	97	—	15.0	15.4	—	—
600	300	Minihouse Holding NV	600	+ 5	3.8	0.7	43.2	47.2
120	31	Robert Jenkins	32	—	5.0	15.6	—	—
60	28	Scruttons "A"	28	—	5.7	20.4	14.7	3.4
92	61	Torday and Carlisle	85	—	—	—	6.1	18.3
444	370	Trevian Holdings	370	—	4.3	1.2	21.0	29.7
27	17	Unilock Holdings	26	—	1.3	5.0	12.6	18.2
95	81	Walter Alexander	95	+ 1	7.5	7.9	9.4	11.4
247	228	W. S. Yeates	228	—	17.4	7.7	5.4	10.8

Prices and details of services now available on Prestel, page 48146

INTERNATIONAL COMPANIES and FINANCE

French machine tool makers see brighter start to 1985

BY DAVID MARSH IN PARIS

MACHINES Francaises Lourdes (MFL) and Intelautomatisme, two French government-supported companies set up to group together struggling concerns in the French machines tools industry, are starting 1985 on a slightly brighter note after the viscissitudes of the last two years.

They are benefiting from a recovery in machine tools orders after several years of downturn. And they are making use of the Government's more hard-headed approach to industrial restructuring to push through deep workforce cuts designed to boost efficiency and eventually restore profits.

But they are also living in a more competitive business climate, in which Japanese companies, for long one of the main factors behind the malaise of the European machine tools sector, are being brought ever closer into the domestic market.

With profits still some years away the two "poles" of French machine tools are not out of the wood yet.

MFL, France's specialist manufacturer in heavy duty machine tools, owned by the Government's Industrial Development Institute (IDI) and a clutch of top French (mainly state-owned) industrial groups, is pinning its hopes on a big export push.

Just back from a round-the-world trip to oversee the installation of an international sales network, M Louis Tardy, the MFL chairman, says the company's order book guarantees turnover of FFr 600m ($62m) this year after FFr 515m in 1984. The forecasts have however been heavily revised downwards from previous estimates. An earlier prediction that turnover would soar to FFr 1bn by 1988, almost exclusively due to higher exports, now looks almost impossible to achieve.

MFL has been encouraged by a spate of orders — FFr 200m since the summer, of which more than 50 per cent have been exports — including deals with General Electric and Westinghouse in the U.S. and Austin Rover in the UK.

Overall, French machine tools orders in the first nine months of 1984 rose by 24 per cent compared with the same 1983 period. Domestic business (heavily depressed in 1983) grew by 34 per cent and exports by 7 per cent, with 52 per cent of the orders representing numerically controlled equipment, according to the latest figures from the French machine tools industry association.

Redundancy costs

Intelautomatisme, too, has benefited from the recovery, with its 1984 orders up about 25 per cent on average. The company expects a turnover of FFr 400m next year against FFr 350m in 1984.

Both MFL and Intelautomatisme expect to be out of the red by around the end of 1986. They are dependent on continuing help from the Government and shareholders, partly to pay heavy redundancy costs. MFL has cut the workforce of its original battery of four companies from 2,200 in 1982 to 1,380 at end 1984, and plans further cuts this year. Intelautomatisme's staff has been pruned from 1,100 in 1983 to 850 at end 1984, with the total due to drop to 650 by the end of this year as a result of the closure of four plants.

The role of Japanese machine tool makers will plainly have a key bearing on the French industry in the next few years. French officials now admit that the Government is encouraging some Japanese involvement in the industry as a means of stimulating domestic companies to boost efficiency.

As part of a long-drawn-out restructuring deal to rescue H. Ernault Somua (HES), the loss-ridden group which was once the country's No 1 lathe manufacturer, the Government now favours a takeover by Toyoda, the Japanese machine tools company which is part of the Toyota motor concern.

Details of the salvage plan, which officials admit is the only way to prevent HES going out of business, have still not been finalised. They hinge on the possible taking of a stake in HES by Renault, the state carmaker which has strong interests in automated manufacturing systems. Before Christmas Renault signed a robotics collaboration accord with Toyoda.

Strategic alliance

The private sector Empain-Schneider conglomerate, which is still the formal owner of HES, may keep a minority stake. Overall, however, just as in its long running skirmish with the state over the collapse of the Creusot Loire engineering group, the Schneider group looks certain to escape relatively lightly from its engagement in HES—which has cost around FFr 400m in government subsidies to keep going over the past two years.

When Intelaumatisme was set up as part of the Socialist Government's initial machine tools restructuring plan, the aim was that the group should encompass HES as well as the Huré (specialised in milling and vertical machining equipment) and Graffenstaden (horizontal machining and flexible manufacturing systems) companies.

After taking a close look as HES's own severe financial difficulties, Intelautomatisme early last year jibbed at taking on the extra burden.

In 1983-84, Intelautomatisme itself held discussions over a possible strategic alliance with Toyoda. But it finally agreed last autumn on another Japanese link-up. In a further example of more open attitudes these days in Paris to letting in Japanese competition, this was a collaboration accord with Hamai, the third largest Japanese maker of vertical machining equipment.

If the Toyoda/HES deal goes ahead, it could eventualy bring Intelautomatisme into direct competition with another Franco-Japanese competitor in machining centres.

Intelautomatisme, however, is playing down the threat, pointing out that Toyoda would first have to cope with HEC's dire cash difficulties and would then be faced with building up an international presence, practically from scratch.

Intelautomatisme, which is now owned 51 per cent by the Suez financial group, 30 per cent by the Industrial Development Institute and 19 per cent by CIT Alcatel, meanwhile is enthusiastic about its link-up with Hamai.

"It's almost a marriage," says Mr James Deas, the Scots manager brought in (from the French subsidiary of Otis Elevators) as Intelautomatisme's director of marketing and international development.

Danish bank may face civil action

By Hilary Barnes in Copenhagen

THE ENTIRE shareholders' capital in Kronenbanken has probably been lost through bad debts, Mr Ib Stetter, Industry Minister, said yesterday, following a meeting of the Danish Parliament's Business Affairs Committee.

The bank was rescued in December by guarantees put up by the central bank and the big three Copenhagen banks. Kronenbanken's capital is DKr 361m ($32m) and its total equity, including reserves and subordinated loan capital, is about DKr 1.2bn.

A group of shareholders is trying to organise a shareholders' committee to bring a civil action against the bank's board. They say the bank continued to recommend customers to borrow money from the bank in order to buy bank shares throughout 1984.

The Kronenbanken share price was DKr 310 when the quotation was suspended in December. Shares are now being privately traded for DKr 30.

Rescue thought imminent for China Cement

By Our Financial Staff

CHINA CEMENT, the debt-ridden Hong Kong venture owned by Kaiser Cement of the U.S., Green Island Cement and Cheung Kong of Hong Kong and the Kiu Kwong mainland Chinese group, may be on the verge of a rescue plan.

According to reports in the pro-Peking press in the Colony, companies linked to Kiu Kwong Investment and the special economic development zones in China are willing to accept responsibility for the cement manufacturer's estimated HK$1bn (U.S.$128m) debts.

Mr Zhuang Shi-Ping, chairman of both the Nanyang Commercial Bank and of Kiu Kwong, said that some HK$100m would be paid, in addition to the debts, for Chnia Cement by the mainland interests.

Profits surge for Finnish conglomerate

By Lance Keyworth in Helsinki

AMER, the Finnish tobacco, publishing and paper group, reports increased profits for the year ended August, 1984 and says prospects for the current year are good.

Sales last year rose from FM 768m to FM 875m, and net profits moved ahead to FM 81m from the FM 60m of the previous 12 months.

For the current year, sales, boosted by an acquisition, are forecast by Amer to rise to around FM 2.35bn.

Amer acquired an 88 per cent interest in the family-owned Korpivaara group, importers and distributors of cars, trucks, motor accessories, for FM 237m last September. Korpivaara's turnover in 1983 was FM 1.19bn and pre-tax profit FM 43m.

In May, 1984, Amer launched an issue of shares which were placed with foreign investers and quoted in London.

CGE, Elf Aquitaine solar equipment unit in venture

BY DAVID HOUSEGO IN PARIS

FRANCE'S two main manufacturers of solar equipment are pooling their resources in an effort to cut costs and improve international market share.

Leroy-Somer, the manufacturer of electric motors, is taking a 10 per cent stake in Photowatt, the jointly owned subsidiary of CGE, the state-owned electronics group, and Elf-Aquitaine, the state oil group.

Photowatt is the leading French manufacturer of solar equipment and systems. Its annual turnover is about FFr 42m ($4.3m).

Under the agreement, Leroy-Somer will shift production of solar cells and panels to Photowatt's factory in western France.

Leroy - Somer's subsidiary, France-Photon, will continue to manufacture solar systems but in future will market them in co-operation with Photowatt and under a double brand name of *Photowatt* and *Solar Force*.

The link has come at the prodding of the French Government which is anxious to strengthen French international competitiveness in what it regards as an area of considerable potential but which has so far remained unprofitable.

France-Photon has made losses in recent years. Leroy Somer recently sold its U.S. solar interests because of the strength of the U.S. competition.

The price Leroy-Somer is paying for its 10 per cent stake in Photowatt has not been disclosed but is believed to be part of a complicated package involving substantial Government assistance.

Under the new share structure, CGE will hold 45 per cent of Photowatt through its subsidiary Saft. Elf will hold 41 per cent and Radiotechnique Compelec a remaining 4 per cent.

Dunlop Olympic waves the flag for Australia's high technology

BY MICHAEL THOMPSON-NOEL IN SYDNEY

"WE CAN no longer assume that minerals, wheat and wool alone will carry the 'Lucky Country' towards higher living standards," says Mr Barry Jones, Australia's Science and Technology Minister. "We have to diversify and extend our skills base."

Mr Jones goes further, claiming that Australia is an industrial museum, and arguing that there is "very real doubt whether our current technological capacity is gerat enough for transition to a high-growth economy."

That is the bad news. The good news is that in a few nooks and crannies of Australian industry, there are signs that work is being done that will help redress Australia's low standing as an exporter of high-technology goods.

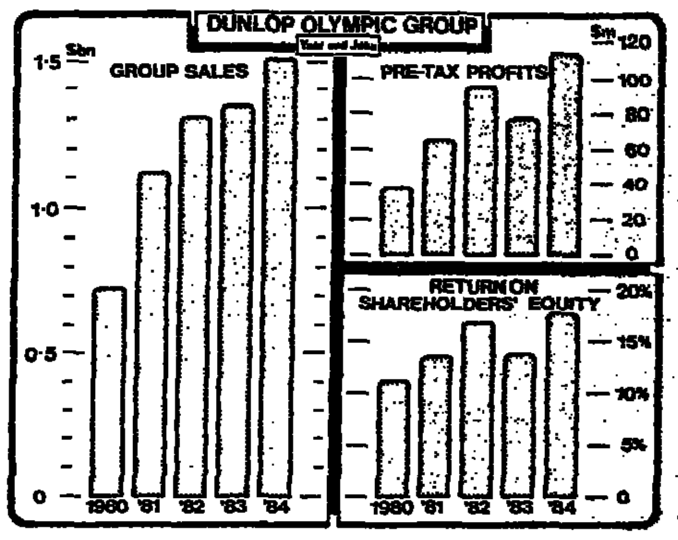
A case in point is Dunlop Olympic, one of the country's biggest manufacturing and marketing concerns, one of the expressed aims of which is to develop products and technology that are internationally competitive.

Formerly, one of its biggest shareholders was Dunlop Holdings of the UK. However, Dunlop UK sold its last shares in the Australian concern last year, leaving Dunlop Olympic as an autonomous, Australian-owned-and-managed concern which is branching into world markets under its own steam, with marked success.

Sales in 1983-84 topped A$1.5bn (U.S.$1.2bn) for the first time—mostly in Australia, though it has sales in more than 30 countries—while its post-tax profit in the year to last June 30 was A$66.2m (U.S.$54.6m), up 39 per cent. The return on shareholders' funds was 17.7 per cent (13.8 per cent previously), for earnings of 25.4 cents a share (up 46 per cent). There was an increased final dividend, and a one-for-10 bonus issue.

Dunlop Olympic has five main business groups:

- Consumer products, including clothing, textiles, footwear, bedding and sporting goods. Sales here were A$494m in 1983-84 and profit before tax and interest A$44m.
- Electrical goods, including cables, batteries and accessories. Sales last year were A$297m, and profit (before tax and interest) A$36m.
- Industrial products. Sales were A$159m, and profit AA$13m.



- Retailing, including 252 Beaurepaires stores (tyres, batteries and other automotive products). Sales were A$145m, and profit A$10m.
- Rubber products. It makes and markets tyres and Ansell products, Ansell being described as the world leader in household gloves, medical examination gloves and condoms, as well as a major producer of surgical and industrial gloves, and balloons. Sales were $350m, and profit A$28m. About half Ansell's U.S. condom sales go to the U.S. Government ,which distributes them through the United Nations to Third World countries. As a Melbourne broker points out, the continued drive to limit population growth in Latin American and African countries and among underprivileged nations in general should mean further expansion in this field.

In the 1970s, Dunlop Olympic was predominantly a tyre, clothing and textiles concern, with more than 70 per cent of its earnings derived from businesses subject to severe import competition.

However, under Mr John Gough, its managing director, the group has been restructured and reoriented. It has expanded in non-import sensitive areas, and in entirely new business, such as cables, so that the profit share of import-competing categories has been slimmed to 33 per cent.

Part of Dunlop Olympic's strategy has been to go for market leadership, or at least significant market share, whenever possible—often by buying out its rivals. For example, the restructuring of its tyre division was completed by the purchase in 1980 of Olympic Consolidated Industries for more than A$90m.

This took its share of the Australian tyre market to 33 per cent, and was followed by a further A$40m of rationalisation and up-dating, so that tyre output per employee has been boosted from 915 per year to 1,088.

Similarly, the textile division had withdrawn from all basic fabric making by 1981.

At the same time, Dunlop Olympic has made steady progress abroad. Its most recent purchase was that of the Missouri-based Hamilton Shoe Company for an undisclosed sum. Hamilton offered immediately sales of only US$22m, but is seen as Dunlop's vehicle for entry into the U.S. shoe market.

Dunlop Olympic already has manufacturing facilities in the U.S. (medical examination and industrial rubber gloves, condoms and balloons), Malaysia (latex gloves and moulded rubber products), New Zealand (textiles and clothing) and the Philippines (footwear, clothing and tennis balls). Another factory is under construction in Thailand.

Recently, it has made two significant moves in New Zealand. It bought Canzac Cables, New Zealand's second largest manufacturer of electrical power cables (sales last year were A$18m), the product range of which complaments that of the group's Olex Cables. And it has bought the 52 per cent of Dunlop New Zealand it did not own, from Dunlop Holdings for A$21.5m—8.6 times 1983 earnings.

Longer term, says Mr Gough, the acquisition of Dunlop NZ may well enable Dunlop Olympic to rationalise production

All told, recent acquisitions and developments will more than double Dunlop Olympic's sales outside Australia, which in 1983-84 were A$137m, some 9 per cent of total revenue.

One of the keys to recent progress at Dunlop Olympic is its commitment to technological research and development which is yielding good results. In the last two years, it has invested more than A$75m in new equipment and facilities.

A hoped-for success is the so-called all new, Australian-designed Pulsar battery, described by Dunlop Olympic as "the most advanced car battery in the world." It is assessed as 25 to 50 per cent lighter than conventional batteries, and as maintenance-free. Besides cars, it can be used in helicopters, boats, wheelchairs and as a standby power source for computer installations.

In addition, Oliex has signed an agrement with Sumitomo Electric Industries of Japan to make glass optical fibres in Australia, expanding an existing agreement between the two related to the design and production of optical fibre cables. Total investment in the venture exceeds A$12m.

All in all, Dunlop Olympic is making good progress on numerous fronts—both in high-technology product fields and in more mundane areas, like shoes, textiles, tyres and cables.

As a result, it suffered only a 15 per cent drop in earnings in 1982-83—despite drought, recession and dumping—and saw profits rebound sharply in 1983-1984.

It is strong, financially—net borrowings total only 20.5 per cent of shareholders' funds, against 37.4 per cent in 1981-82—and on some estimates, earnings should rise by 15 to 20 per cent in 1984-85.

Nor is it in the least worried by retaining the name Dunlop, despite the troubles of the UK group. "So far as the public is concerned," says Mr Gough, "Dunlop remains a very strong brand name."

VONTOBEL EUROBONDINDIZES
WEIGHTED AVERAGE YIELDS
PER 8 JANUARY 1985

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.24	11.31	11.38	11 24
DM (Foreign Bond Issues)	7.05	7 03	7.05	7 03
HFL (Bearer Notes)	6.93	6.94	7 03	6 93
Can$ Eurobonds	12.44	12.46	12.46	12.44

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
4th qtr.	103.5	98.1	100	110.3	151.4	2,941	162.0
1984							
1st qtr.	102.8	97.4	101	108.5	123.5	2,998	147.0
2nd qtr.	100.7	98.1	104	111.7	130.7	3,026	154.0
3rd qtr.	100.5	99.1	100	112.4	133.8	3,076	165.1
4th qtr.						3,103	166.5
June	100.7	98.6	103	112.1	130.3	3,038	159.0
July	99.9	98.2	104	111.2	133.9	3,055	164.0
August	100.0	99.4	87	110.9	132.8	3,074	162.0
September	101.5	99.8	110	114.5	134.3	3,096	170.0
October	102.3	99.1		113.5	140.3	3,100	170.5
November				115.0	150.2	3,102	167.6
December						3,107	161.3

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
3rd qtr.	98.5	92.0	108.5	94.8	105.3	90.5	17.5
4th qtr.	99.0	93.6	110.2	96.4	110.4	93.0	15.9
1984							
1st qtr.	97.5	92.7	110.1	95.4	113.9	89.4	16.5
2nd qtr.	98.9	94.3	104.6	96.7	107.3	90.4	17.8
3rd qtr.	99.2	95.7	103.1	98.4	108.6	90.6	16.3
May	99.0	94.0	104.0	96.0	103.0	91.0	17.5
June	98.0	95.0	105.0	98.0	112.0	90.0	19.4
July	99.0	95.0	103.0	97.0	106.0	90.0	18.3
August	98.0	96.0	103.0	99.0	111.0	90.0	15.5
September	101.0	97.0	104.0	100.0	109.0	93.0	15.0
October	99.0	97.0	106.0	98.0	105.0	90.0	15.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
3rd qtr.	99.2	106.6	−369	+751	+1,485	98.6	17.90
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	109.5	113.3	−154	+424	+2,316	97.3	16.75
2nd qtr.	108.3	118.3	−1,297	−379	+1,548	96.9	15.51
3rd qtr.	107.4	119.5	−1,652	−542	+1,726	96.8	15.35
June	112.0	117.5	−137	+169	+656	97.6	15.51
July	102.7	108.9	−198	+173	+755	97.0	15.37
August	111.6	123.9	−627	−257	+387	96.7	15.35
September	107.9	125.8	−828	−458	+584	96.8	15.26
October	115.6	133.8	−888	−40	+388	96.8	15.35
November	118.7	121.1	−122	+278	+424	96.2	15.50
December							15.69

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances *in sterling to the private sector (three months' growth* at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
3rd qtr.	3.9	8.5	8.4	24.6	2,098	2,650	9.50
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,807	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,896	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,850	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,785	10.50
June	6.2	22.7	14.3	20.6	630	919	9.25
July	6.8	11.4	8.4	17.0	608	976	12.00
August	4.6	11.4	7.1	11.0	133	938	10.50
September	4.4	7.8	4.0	2.4	887	871	10.50
October	6.7	18.5	9.6	11.4	1,125	1,008	10.50
November	*9.9*	*27.3*	*19.0*	*17.1*	*363*	*989*	*9.63*
December							9.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.5	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.1	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	133.6	132.8	353.9	326.8	288.95	78.0
4th qtr.						289.64	74.1
June	157.5	134.1	132.2	351.9	330.6	305.06	79.4
July	*159.6*	*133.5*	*132.5*	*351.5*	*328.5*	*289.86*	*78.4*
August	159.2	132.8	132.6	354.8	326.9	294.18	78.4
September	160.0	134.9	133.3	355.5	324.9	288.95	77.2
October	164.1	137.5	134.0	357.7	326.2	292.40	75.6
November		138.7	134.4	358.8	326.6	289.89	75.7
December						289.64	74.1

* Not seasonally adjusted.

Public Works Loan Board rates

Effective January 9 1985

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11	—	—	11¾
Over 1, up to 2	11	11	11¼	12	12	12
Over 2, up to 3	11⅛	11½	11½	12½	12½	12¼
Over 3, up to 4	11⅜	11⅜	11½	12⅜	12⅜	12¼
Over 4, up to 5	11⅝	11½	11⅝	12¼	12¼	12⅜
Over 5, up to 6	11½	11¼	11¾	12	12	12¼
Over 6, up to 7	11½	11½	11¾	12	12	12½
Over 7, up to 8	11½	11⅝	11⅞	12	12	12⅛
Over 8, up to 9	11½	11⅝	11⅞	12	12⅛	12¼
Over 9, up to 10	11⅝	11¾	11⅝	12⅛	12⅛	12⅛
Over 10, up to 15	11¾	11⅝	11¼	12⅜	12⅛	11⅞
Over 15, up to 25	11⅝	10⅞	10⅞	11⅞	11⅝	11⅞
Over 25	11	10⅞	10⅞	11⅛	11⅝	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Guinness builds up its health activities

By Lisa Wood

THE suggestion that Guinness is good for you took on a new twist yesterday with the announcement that the group has bought Nature's Best Health Products, for about £2.4m.

Last November, Guinness made its first foray into the health and fitness market with the acquisition, for £3m, of the Champneys Group, owners of health spas at Tring, Hertfordshire, and Stobo Castle, Scotland.

The acquisition of Nature's Best is the next step in developing this business sector, the group's other activities *falling into the general* categories of brewing, publishing and retailing which includes Martins the Newsagent.

The deal will be paid for by the issue of 1.05m Guinness *ordinary* stock units.

Nature's Best, which will *join* Champney's in a health division csalled the Portman Health Group, was set up in Tonbridge, Kent four years ago with a predominantly family-owned shareholding.

The company, which produces its own range of vitamins and dietary supplements, *sells mainly to health* shops and health practitioners, but also has a growing business to 17 overseas markets through a direct mail order service.

The *fragmented* UK vitamin market has grown strongly in both volume and value *in the last few years.* Accordingly to a recent Mintel survey, the market was worth £34m in 1983 compared with £20m in 1980. Mintel said the fact that only five per cent of Britons took vitamins regularly, compared with 50 per cent of Americans was an indication of the potential for growth in the market.

Duffryn says Hanson terms would reduce earnings and assets

BY MARTIN DICKSON

Powell Duffryn, the fuel distribution and engineering group, yesterday forecast a 6 per cent rise in pre-tax profits this year as it fired off a major salvo in its defence against the £176m takeover bid launched by **Hanson Trust.**

Mr John Franklin, Powell Duffryn's chief executive, urged shareholders to reject the Hanson bid on the grounds that it had no logic and seriously undervalued the company.

He said that the miners' strike had hit Powell Duffryn's coal operations—particularly shipping—but action by the company had succeeded in confining the major impact of the stoppage to profits in the first half of the year to March.

As a result, the board was now forecasting pre-tax profits of about £19.5m, compared to £18.3m *in 1984.* Had it not been for the miners' strike, pre-tax profits were likely to have been about £22m, a rise of 20 per *cent on 1984.*

The company is also forecasting net dividends per share for the year of not less than 18p, an increase of at least 12½ per cent.

On the basis of these forecasts, Hanson's bid terms would mean a "drastic reduction in income, earnings and assets" for Powell Duffryn shareholders.

Mr Franklin said Hanson wanted the company because Powell Duffryn had largely completed its restructuring, and the *benefits of its heavy capital* investment over the past five years were starting to come through. Accepting Hanson's offer would deprive shareholders of the benefits of this.

Shares in both Hanson and Powell Duffryn have risen sharply since the bid was announced last month. Hanson's all-paper offer was worth 449p for each Powell Duffryn share at last night's Hanson close of 337p, down 4p on the day. Powell Duffryn's shares closed unchanged at 438p.

Mr Franklin said that the Hanson bid was still only some 3 per cent higher than the *current price of Powell Duffryn* shares, which were on a p/e of about 12.6 on the current year's forecast earnings, with a gross yield of over 5.8 per cent.

Hawley expands in U.S.

Oxford Services, the Atlanta-based commercial cleaning subsidiary of Mr Michael Ashcroft's **Hawley Group**, is consolidating its position in the South-Eastern U.S. cleaning market with an acquisition worth up to U.S.$14m (£12.3m) which also takes it into *landscaping and commercial* refuse.

Oxford is acquiring from two private owners the Taylor Wise Group, and will integrate 11 cleaning operations spread across the South-Eastern states into Oxford, which already ranks among the top five in a fragmented U.S. market.

The other businesses of TWG will be operated separately. Oxford is paying $5m in cash initially, and a deferred consideration of up to $9m in interest free loan notes maturing over a four-year period ending in 1990. The size of the deferred payment depends on the gross margins of the landscaping and *refusing divisions in the next* two years.

TWG had pre-tax profits of $804,044 in the year ended June 30 1984 on turnover of $16.7m, but Oxford expects that it will contribute about $2.5m to pre-tax profits.

The acquisition represents a further move by Oxford, which has expanded rapidly since being acquired by Hawley for £9m

LMI puts in higher offer for Hoskins

London and Midland Industrials (LMI) yesterday increased its offer for **Hoskins & Horton**, the *hospital equipment* and light engineering concern which has been resisting a persistent takeover attempt by **Scottish Heritable Trust.**

As with LMI's original intervention six weeks ago, the bid won the immediate backing of *the Hoskins board.*

LMI, which currently holds just 1.7 per cent of Hoskins, increased its cash offer for the remainder from 265p to 300p. Alternatively, it will now provide seven of its own shares for every four in Hoskins compared with the previous eight for five, *an extra 15 for* a holder of 100 shares.

Hoskins shares jumped 13p to 311p yesterday while LMI and Scottish Heritable each held at a respective 176p and 60p. This values the share alternative of the new agreed bid at 308p per Hoskins share, topping last Thursday's *revised* cash-and-share formula from Scottish worth 305p.

The value put by LMI on its cash offer is some £8.2m. Taking the share route brings this to £8.4m, while the rival bid is worth £8.3m.

For the preference shares, the two bidders *have* matching offers of 100p.

LMI said that full acceptance of the share alternative would require it to issue some 4.7m new shares representing 16.7 per cent of its enlarged capital. Redland, which will buy the *Horton* engineering and building materials side, has agreed to an increase in the purchase price from £4m to £4.475m, it added.

MINING NEWS

World diamond sales decline in the second half of 1984

BY KENNETH MARSTON, MINING EDITOR

SALES OF rough (uncut) gem and industrial diamonds fell in the second half of last year, according to De Beers' Central Selling Organisation which markets over 80 per cent of world production of rough diamonds.

In U.S. dollar terms, sales in the second half dropped to $668m *after having risen to* $945m in the first six months. The resultant year's total of $1.61bn compares with $1.6bn in 1983; prices of rough diamonds were last raised by 3.5 per cent in April 1983.

Because of the weakness in the South African rand, which *fell by 42 per cent against the* dollar last year, the value of sales expressed in rands was about maintained at R1.13bn in the second half of 1984. But the year's total of R2.3bn, against R1.77bn in 1983, is still below most expectations.

A significant factor in the disappointing level of second half sales last year was the sharp increase in offerings of good quality Russian cut and polished gems at considerable price discounts in Antwerp. These offerings and prices later returned to more normal levels but not before they had unsettled the diamond market generally.

Other adverse factors included high interest rates and the strength of the U.S. dollar—in which diamonds are priced—which increased prices in other currencies. It was also noted that U.S. retail sales at Christ*mas were not as outstanding as* those seen a year earlier after the long recession.

Generally speaking, diamond demand has remained concentrated on the smaller, inexpensive qualities but has shown some broadening out into the better qualities and sizes. Recovery continues although possibly at a slower rate and few observers in the diamond trade have any great expectations for 1985.

The Central Selling Organisation is thus continuing a cautious marketing approach, keeping its assortments of diamonds to buyers at the five-weekly sights *(selling occasions) only to those* stones which are readily saleable. It is therefore expected that the organisation's stockpile will have grown slightly over the *past year instead of having been* reduced as was hoped at one time.

This was confirmed last night by Mr Richard Dickson, a spokesman for De Beers, who added: "The increase in the rand value of the stockpiles, as shown in De Beers' accounts, will have been much higher in view of the change in the rand-dollar exchange rate."

	Six months to June Rm	Six months to Dec Rm	Year's Total Rm
1984	1,180	1,126.0	2,306.0
1983	960.0	811.0	1,771.0
1982	635.5	724.1	1,359.6
1981	747.5	501.9	1,249.4
1980	1,267.2	874.4	2,141.6
1979	*1,085.4*	*1,106.2*	*2,191.5*
1978	1,063.5	1,155.4	1,218.9
1977	943.4	859.3	1,802.7
1976	681.9	670.0	1,351.9
1975	355.1	438.4	793.5
1974	525.5	313.6	849.4

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: British Telecommunications, Electronic Rentals, Howden Group, Jones Stroud, London Investment Trust, Magnet and Southerns, Mebon, Radiant Metal Finishing, Thorn EMI, Turnbull Scott.

Finals: Dewhurst and Partner, Morceau, Valin Pollen International.

FUTURE DATES

Interims—

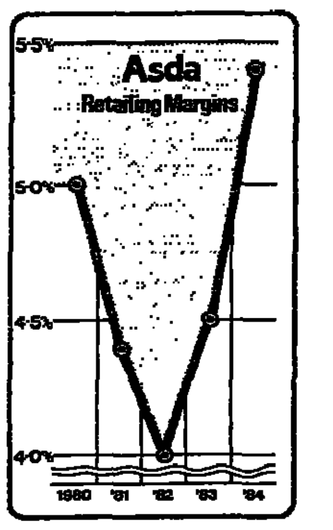
Barrie Invests. and Finance	Jan 22
Centrovincial Estates	Jan 16
Control Securities	Jan 14
Davy Corporation	Jan 17
Mercantile House	Jan 22
Northamber	Jan 17
Park Food	Jan 23
Samuel (H.)	Jan 15
Stroud Riley Drummond	Jan 24
Turnbull Scott	Jan 10

Finals—

Berisford (S. and W.)	Jan 17
Blue Arrow	Jan 14
Bullough	Feb 4
Evode	Jan 21
Gestetner	Jan 18
Great Northern Telegraph	Mar 22
Kennings Estates	Jan 16
Lincroft Kilgour	Jan 22
Pratt (F.) Engineering	Jan 28
Raeburn Investment Trust	Jan 16
St Andrew Trust	Jan 24
Television South	Jan 28
Warner Holidays	Jan 14

Asda held back by miners' strike and milk shortage

THE MINERS' strike and a shortage of milk supplies have restricted profit growth at Associated Dairies Group to just over 10 per cent for the 28 weeks to November 10 1984, and together cost the group £2m in pre-tax profit terms.



The interim figures showed an increase in taxable profit from £48.74m to £53.7m, on turnover up from £876.39m to £993.19m. Following the announcement of the result, which represents a decline from recent rates of growth, the group's shares closed down 8p to 148p.

Mr Noel Stockdale, the chairman of this dairy and foods retailer and superstore operator, says that trading for the period was adversely affected by these two factors, both of which were mentioned at the annual meeting in October as potential problem areas, and which were outside the control of the group.

The continuing miners' strike had the greatest effect on the Leeds-based group, which is stronger in the north than most other grocery retailers. It has only four stores in the London area. The strike accounted for the bulk of the £2m profit shortfall.

The shortage of milk for manufacturing purposes was due to the exceptionally dry summer and to EEC regulations. The group used 33 per cent less milk in volume terms in the period.

At the annual meeting Mr Stockdale said that the sales fall in mining areas had been cushioned by increases elsewhere, but warned that a prolonged strike would inevitably hit sales and profits. This is still the case.

However, taking these factors into account, the directors still regard the results for the period as satisfactory. They are to increase the interim dividend from an effective 1.04p net per share to 1.15p. In the last full year, dividends amounted to an equivalent 2.5p on record pre-tax profits of £104.61m. Turnover then was £1.76bn.

As regards trading in the current period, Mr Stockdale says that sales were 18 per cent up at the end of December. This had been achieved, he said, despite a very slow start to the build-up for Christmas trade, due to the miners' strike and the fact that customers' money had been tied up in the BT flotation.

Christmas spending took off in December, and the chairman says "we just could not cope with the volume." In the Christmas week alone sales were 28 per cent up on the comparable period.

The group's Asda stores accounted for most of the £7m increase in operating profit, adding £43.01m against £36.47m. The operating performance of Associated Fresh Foods showed a profit decline from £6.71m to £6.01m, but Allied Carpet Stores advanced from £1.69m to £2.79m. Oother operations contributed a £576,000 profit against a £87,00 loss.

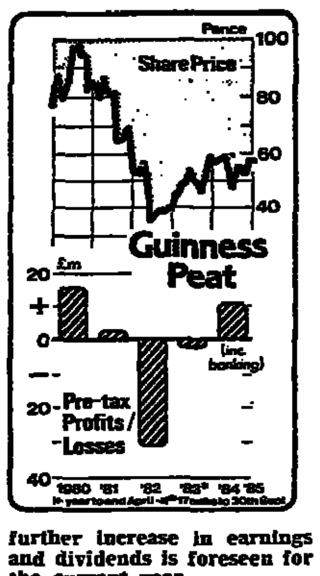
Wades Departmental Stores, which is the subject of advanced negotiations for a management buy-out, incurred a loss of £390,000 (profit £839,000), and Wallbridge Carpet Mills, sold to its management, increased its operating deficit from £260,000 to £608,000 in the period. Other income fell from £5.62m to £3.64m.

After tax at £23.9m (£24.13m) earnings per share are quoted at 3.75p (3.12p).

See Lex

Guinness Peat sees continued recovery

GUINNESS PEAT GROUP is paying a final dividend for the first time since 1981 following a return to the black over the 12 months to end-September 1984. And a further increase in earnings and dividends is foreseen for the current year.



Taxable profits of the financial services concern, including banking, for the year amounted to £10.5m. This compares with a loss of £2.07m for the previous 17-month period—excluding banking profits of £2.1m. The final dividend is 0.8p.

The company also showed a retained profit of £5m (loss £3.13m). Minorities took £221,000 (£202,000), tax amounted to £2.66m (£1.51m), and the cost of dividends is £2.62m (£45,000).

● comment

The decision to rename the group Guinness Mahon has a certain symbolic value in marking a clear break with the gruesome past but a doubling of second-half earnings, and a ratio of net debt to shareholders funds of around 40 per cent (against 500 per cent in 1982) actually speak for themselves. With profits from property completions making an appearance this year, the group will have a fifth area of profitability activity, and pre-tax profits of £15.5m are within reach. Net borrowings should not be higher than £40m and the group will certainly not be paying more than last year's 25 per cent tax charge, thanks to £6.3m in unrelieved ACT and all those U.S. tax losses. A prospective p/e of just under 10 seems already to have taken account of the board's achievement, but bid speculation might add a bit to the share, considering the very conservative balance-sheet valuations.

Andrew Fisher on the P & O/Sterling Guarantee merger

Set fair for exciting future

IT DID NOT exactly burst on the City like a bombshell yesterday, but then it was never really meant to be a secret in the first place.

The likelihood of a merger between **Peninsular and Oriental Steam Navigation** and **Sterling Guarantee Trust** (SGT), both headed by the newly-knighted Sir Jeffrey Sterling, has been aired in the City for some months.

Ever since Sir Jeffrey became head of P & O late in 1983 and subsequently succeeded in fending off the bid approaches of Trafalgar House (owner of Cunard), the idea of a get-together between the two companies has looked increasingly possible.

Last Friday, the P & O share price went ahead, when the market thought that the merger was to be finally made public. In the event, that day's news was the sale of the loss-making Anglo-French ferry operation of P & O to European Ferries for £12.5m.

But Sir Jeffrey was encouraged by the share price rise. A merger of the two companies which he heads has been something he has long hoped to achieve. As he said yesterday, "welded together, they have an exciting future."

He has certainly livened up P & O. Previously regarded as a rather slow-moving shipping company with major land-based (and profitable) interests like Bovis construction, it is now surpassing all previous City expectations.

Sir Jeffrey has tightened up P & O's finance since the group realised it needed a chairman with his background and energy.

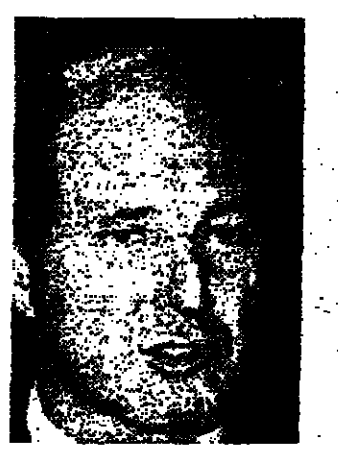
The proposed merger will owe as much to Sir Jeffrey's own personal and business style as to the inherent logic of the deal.

After all, a link-up between Trafalgar and P & O was not regarded as an outrageous possibility by the City. But Trafalgar was hindered by a Monopolies and Mergers Commission investigation, which allowed time for the move to the top of P & O of Sir Jeffrey—previously on the board as a non-executive—and the financial strengthening of the group by the time the bidder finally got the go-ahead last March.

	1983*	1982
Turnover	£1.31bn	£1.22bn
Profits†	£56.7m	£33.5m
Employees	23,400	25,900

MAIN ACTIVITIES
Bulk cargo shipping
Construction
Cruises
Banking
Property
Transport

* Analysts expect 1984 profits at around £70m. † Pre-tax.



Sir Jeffrey Sterling

STERLING GUARANTEE TRUST

	1984*	1983
Turnover	£199m	£177.2m
Profits†	£14.4m	£8.7m
Employees	11,200	10,700

MAIN ACTIVITIES
Property
Industrial distribution
Catering
Warehousing
Exhibition services

* Year to March 24. Analysts estimate 1984-85 profits at around £24m. † Pre-tax.

It was in September of last year that the two sides called a halt to the skirmishing. Trafalgar headed by Sir Nigel Broackes, a long-time friend of Sir Jeffrey, *decided to withdraw from the* fight and take a £13.5m profit on the sale of his company's 7 per cent stake in P & O.

Both before and after this peace settlement, P & O has been selling off unprofitable assets, smartening up *its management* structure, and doing its best to educate the City about the way in which a merger could benefit both sides.

"Basically," said Sir Jeffrey, "they are both service companies. The most important factor is that the managers are all service-orientated."

But things have not always looked so rosy, either for P & O or for Sterling Guarantee, which was formerly the Town and City property group that fell victim to the collapse in that sector of the mid-1970s.

Sir Jeffrey spent much time on reviving Town and City.

Eventually, he pulled it round into profits and found much favour with those who had invested in the company—including some major institutions—in the process. That legacy has clearly been of help in promoting the notion of a *Sterling-headed* P & O, augmented with the property, catering, and exhibition service activities of SGT.

Certainly, the merger idea has been greeted with a certain amount of scepticism, though much of *this has been disarmed* by the smooth way in which Sir Jeffrey has put his case.

Even *without this knack, there* is a proven track record which can be pointed to. Under his leadership, P & O has made long overdue write-downs on its gas shipping fleet, sold valuable properties in London, and finally retreated last week from the fraught cross-Channel ferry market.

Profits of P & O have risen recently as have those of SGT. Without a merger, say some City analysts, one or other of these companies could lose their way if management efforts are diluted.

P & O has had a rough time in the past decade or so. Back in the late 1970s, it had a mountain of debt as a result of over-ambitious expansion. Up to mid-1981, it had sold some £150m of assets to try and right the balance sheet.

The 1970s were a troubled decade for the group. In 1972, it planned to merge with Bovis, but internal and outside opposition scuppered that project. In the end, P & O bought *Bovis for a small part of its* merger valuation.

Today the P & O image is a lot brighter. Last year saw delivery from Finland of the sleek new cruise ship, Royal Princess, destined for the lucrative U.S. market. A new £40m ferry for the North Sea service is also likely to be ordered soon.

"We want to be in a position for this company (when merged) to act in a totally opportunistic fashion if it wants, but with a totally professional management behind it."

Hollas set for further improvement

Despite an £87,000 rise in interest charges to £177,000 the **Hollas Group** recorded an improvement of £31,000 in pre-tax profits for the half year to September 30, 1984.

The deterioration of sterling to unprecedented levels in those currencies in which the group trades seriously affected the garment distribution and yarn divisions.

The directors say that considering the depressed climate in which the two sectors operate the results are "even more creditable."

While these factors remain they find it "very difficult" to predict prospects but it is expected that the Hollas companies will achieve further progress during the remainder of the year.

Group turnover for the first half advanced from £11.76m to £12.36m and pre-tax profits pushed ahead from £423,000 to £454,000.

The interim dividend is held at 1p net per 5p share—a final of 1p was paid for the 1983-84 year from pre-tax profits of £1.03m (£1.31m).

Tax took £182,000 (£127,000) to leave earnings per share at 1p (1.2p).

Hollas imports and distributes garments and fabrics.

Robert Horne expects an increase in market share

ANOTHER year of satisfactory progress is seen by the directors of **Robert Horne Group** following a sharp increase in pre-tax profits from £4.09m to £6.55m for the year to the end of September 1984.

The current year has started well with all subsidiaries showing improvement on a year ago. The directors expect to achieve further improvement in market share, which they believe amounts to about 15 per cent of the market available in printing, writing paper and board.

As forecast at the interim stage, the net final dividend amounts to 1.5p, making 2.5p (2.46p was foreshadowed in the prospectus). Earnings per ordinary and A ordinary shares were shown as 12.2p (9.8p)—the group came to the USM by way of an offer for sale in March 1984.

Turnover increased from £86.04m to £104.87m.

The directors say they are negotiating the purchase from the Northampton Development Corporation of additional land adjacent to the present headquarters, which will help further expansion.

Operating profits amounted to £7.03m (£4.47m) after sales and marketing costs of £4.98m (£4.44m), distribution costs of £5.32m (£4.85m) and administration expenses of £6.08m (£5.59m). Other operating income of £260,000 (£206,000) was included.

Interest costs took £480,000

● comment

The market has been steadily upgrading its forecasts for **Robert Horne** since the company joined the USM last March, but it was still surprised by the 60 per cent jump in pre-tax profits. *In a narrow market*—only 12½ per cent of the equity was floated—the ordinary shares leapt 24p to 156p, and the non-voting "A" stock 21p to 143p. By firm cost control the company is squeezing maximum benefit from a 22 per cent rise in turnover, divided roughly equally between price and volume increases. This high operational gearing should continue to work in the company favour in the current year, but it seems likely that demand may level off later in the year. Although the company is winning market share from its rivals, paper distribution remains a mature cyclical business closely tied to the fortunes of the whole ecenomy. For the current year, Horne should make £8.5m pre-tax putting the ordinary shares on a prospective rating of about 8½ on a 40 per cent tax charge. They seem fairly valued.

Bespak warns on downturn in demand

Bespak, aerosol valve manufacturer, reports a near-32 per cent advance in first half profits but warns that the full year's outcome is likely to show a virtually static result.

The company says that the combination of a cutback by its largest customer and a cost burden means that second half profits cannot be expected to match the taxable £1.38m, against £1.05m, attained in the opening six months to November 2 1984.

First half profits were achieved on turnover ahead by £1.68m at £6.62m, and were *struck after net interest* expenses of £45,000 (£51,000) and the inclusion this time of a £28,000 associates' contribution.

There is a 0.25p lift to 1.75p in the interim dividend with *earnings per 10p ordinary share* shown 3.4p higher at 9.7p, after tax of £344,000 (£375,000).

In 1983-84 Bespak achieved taxable profits of £2.11m (£1.8m) and paid total dividends amounting to 3.75p (2p).

Looking ahead, the company says that an agreement has been concluded with ICI to develop an air powered aerosol system with exclusive marketing rights for an initial period. Also, the directors say that the American project is progressing steadily, with the foundations having been laid for the first stage of the building and plant and equipment having been procured.

● comment

It has been feast and famine for **Bespak** from their major customer Glaxo. A year ago, first half figures were boosted by unexpected *demand. This year,* Bespak delivers the gloomy news that Glaxo which accounts for more than half of sales, has cut back drastically in its demand for valves for its Ventolin drug. Pre-tax profits for the year, which analysts were suggesting might reach £2.8m will now be closer to last year's £2.1m, and the shares closed down 5p at 280p giving a prospective *p/e of 19.* Bespak was all too aware of its dependence on one source of business and has been *laying the foundations* for greater diversification. The bad news will speed up the process of developing new lines for more customers and the company expects to be back on course in 1985-86. Glaxo will account for below half of Bespak's business by then. New lines are coming on fast, according to the company. Fire extinguishers, where it now makes the whole pack rather than just handles and valves, will probably be the fastest growing business in the next year and a number of projects are under development similar to the aerosol system which Bespak is working on with ICI. The market may prove to be a little wary for a year or so until Bespak regains its laurels.

JFB losses reduced by £6.8m

LOSSES AT **Johnson and Firth Brown** have been cut sharply and *Mr J. M. Clay, the chairman,* believes the group now has the necessary strengths to build on the progress made over the past 12 months.

For the year to September 30, 1984 the group's pre-tax deficit was reduced by £6.78m to £4.11m after taking in a £6.2m (£9.03m) share of losses of Sheffield Forgemasters Holdings, the 50 per cent-owned associate.

Turnover of the group, a *specialist engineer, improved* from £102.19m to £112.39m and at the operating level there were profits fo £5.44m, compared with £1.82m.

Interest charges were little changed at £3.69m (£3.78m) and the share of profits of the other associates amounted to £346,000 (£101,000).

Tax took £936,000 (£152,000) and after taking account of extraordinary debits of £958,000 (£1.25m) and associates' debits of £2.34m (£153,000 credit) the attributable loss emerged at £8.34m, against a previous £12.14m.

Loss per 25p share was reduced by 5.7p to 5.2p — JFB last paid a dividend in 1981.

Mr Clay points out that the loss attributable was wholly due to the losses of Sheffield Forgemasters. He says its losses do not affect the cash resources of the group but that they do reduce group net assets.

Discussions on the means of providing further funding have been concluded between Sheffield Forgemasters' shareholders, the bankers to the company, and certain major institutional holders of the convertible unsecured loan stock.

These provide for a further £10m in trading and additional overdraft facilities and for the deferment of interest payments on Forgemasters' loan stock. In consideration for this deferment, stockholders' conversion terms will be improved.

Johnson and Nephew (Non-Ferrous) became an associate company as at April 1984. Excluding that company's sales, group turnover in the year was £97m, an improvement of 30 per cent over 1982/83. The majority of this increase was in the three *superalloy and aerospace* companies and include a full year's sales at Cannon Muskegon compared with only nine months last year.

In his interim statement last June (losses for the half year were down from £5.74m to £2.54m) Mr Clay looked for further progress.

He says now that the group should be able to look for a further improvement in trading in the current year.

● comment

With a 13p share price underlining its speculative attractions, **Johnson & Firth Brown** continues to endure heavy weather, although there is encouraging progress at baling out the leaky ship Forgemasters. This is reflected in the reduced losses from this 50 per cent-owned associate, whose problems have drained more than £17m from the balance sheet. In essence, these problems come down to scarce volume and hefty overheads, a picture which begged the inevitable rationalisation programme. To date this has proved *difficult to implement, if only* because the company is located in a high unemployment area, so the new funding will be a big help in the short term while a more radical solution is planned by the new management. Elsewhere, there has been an increase in volume and better productivity, especially in the super-alloy activities where demand from the aerospace *industry has picked up.* The company is capitalised at under £14m.

L & G to the fore in unit linked business

Legal & General Group, Britain's second largest life company, has become a major force in the unit-linked life sector.

New linked single premium business in the UK rose by one-*third from £156.8m to £208m* — making L & G one of the largest, if not the largest, single premium linked company in the UK. Other major linked life companies have yet to report their new business results. New linked annual premiums were at a more modest level, rising by a fifth from £10.4m to £12.7m.

This single premium growth accounted for most of the total UK single premium rise of just under 40 per cent last year from £194.5m to £268.8m.

However, new individual annual premiums in the UK *fell* 13.5 per cent from £78.1m to £67.5m, the decline coming from mortgage-related business which fell £11m to £30m. However, 1983's figures contained £13m of premium arising from conversions with the introduction of MIRAS. Thus new mortgage-related business rose 7 per cent despite the loss of Life Assurance Premiums Relief.

Pensions business was buoyant last year. New annual premiums on self-employed pensions rose more than half from £5.9m to £9.2m. New annual premiums in the life and pensions business, after a few years of decline, rose by a third from £35.6m to £47.5m.

Winterbottom talks end but LMS gets 23% stake

Winterbottom **Energy Trust**, a Baillie Gifford-managed trust specialising in oil shares, particularly in the U.S., has ended talks with **London Merchant Securities**, but LMS has acquired a 23 per cent holding in Winterbottom from Prudential.

The trust also reported a rise in earnings and an increased bonus dividend.

Net revenue before tax rose to £715,866 in the year ended November 30 1984 from £432,816 and earnings per share rose to 1.56p from 0.83p. The total dividend is being lifted to 1.55p from 0.80p including a special bonus of 0.85p (0.10p).

Total assets at November 30 were £27.2m (£22.1m) and net assets £25.1m (£20.4m), with net assets *per share* 101.9p (82.4p). At end-year, 35.9 per cent (0.5 per cent) of the portfolio was in liquid assets reflecting a decision to become more liquid in the light of oil price prospects as well as the takeover of some of its holdings, such as Getty, Enstar, Core Laboratories and Gulf Oil.

Winterbottom has been involved in talks about its future for some months. After rejecting a partial offer, including a proposal for a joint management company from the New York investment firm Gruss and Co., it began talks on a complex deal with LMS which fell through because of a last minute change in circumstances.

LADBROKE INDEX
Based on FT Index
980-984 (+14)
Tel: 01-427 4411

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Asda .... int	1.15	March 1	1.04*	—	2.5*
Bespak .... int	1.75	Feb 25	1.5	—	3.75
Guinness Peat	0.8	Feb 25	Nil	1.4	Nil
Hollas Group .... int	1	—	1	—	2
Robert Horne‡	1.5	—	—	2.5	—
M & G Dual Trust	13.9	March 4	13.25	25.5	23.25
Moorgate Trust .... int	4	Feb 4	3.25	—	10

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Accountancy Appointments

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As a result of a series of career development moves within the finance function a number of opportunities have arisen both in London and the Regions for ambitious, qualified Accountants at a number of levels within the organisation:–

Financial Planning & Control — £16,000–£22,000+car

Reporting either to Regional Company Finance Directors, or senior central financial management, you will be able to demonstrate an impressive record of achievement in line financial planning, budgetry control and balance sheet management, preferably in a manufacturing or distribution environment. Aged 27-35 you will have the ability to contribute to the Company's overall financial management, influencing the business and gaining acceptance for your ideas at a senior level. The positions are development opportunities for Finance Director appointments in two years.

Financial Control & Asset Management — £11,500–£15,500

A qualified Accountant in your early to late 20's, with a good degree and experience gained either in industry or in the profession, you will be looking to broaden your career in a fast-moving business environment. Opportunities at this level may be in the area of financial planning, financial accounting or asset management.

Success in any of these stimulating roles will lead to excellent prospects for future career development within the Group.

In addition to the highly competitive salary levels the benefits package is as expected of a major progressive employer.

Please write with full details, including current salary. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. M. Hordern ref.B.1859.

These appointments are open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

MaK

We are an international company with a considerable reputation in Diesel engine production for ships, locomotives and power stations, and we plan to open our own organization in London as from 1 April 1985.

We are looking for a

Financial Manager

Responsibilities will include all financial and secretarial functions, supervising the installation and operation of new IBM 36 computerised systems.

We would like to hear from qualified accountants with the experience and flexibility to handle all aspects of financial work in a company controlled by an overseas parent group.

Knowledge of the German language is essential.

We offer a competitive salary and benefit package, which will if appropriate, include relocation expenses.

Please apply, in writing, with full details of your career and qualifications to:

Krupp MaK Maschinenbau GmbH
Department VZ · G. Baecker
Postbox 9009 · 2300 Kiel 17 · West Germany
Tel.: 010494313812664

KRUPP MaK

Financial Accounting Controller

For Life Assurance Company London, EC1

Salary at least £19,000 + CAR

The Sentinel Insurance Company Ltd is an established Life Office, and has in recent yeads expanded its activities and the volume of business underwritten. The increase in activities has created a position for a financial accounting controller, reporting to the Managing Director.

The successful applicant will be responsible for controlling and supervising the accounting, internal control, budgetary control and all reporting requirements, and to provide realistic and constructive recommendations to improve the accountancy systems as dictated by the Company's interests and developments.

Applications are invited from qualified accountants who are involved in the life insurance industry. Other essential requirements include the ability to direct and motivate staff, an awareness of computers and data processing techniques, an enquiring and commercial approach to problems, good communication skills, and the ambition to warrant promotion.

The Company are offering a salary commencing at £19,000 p.a. plus a car. The successful candidate will benefit from membership of a non-contributory pension scheme, free life cover and low cost mortgages after a three months probationary period. The position is challenging and demanding, and gives scope for career development.

If the position is of interest to you, would you in the first instance, please reply to our Auditors, Messrs. Bright Grahame Murray & Co of 124/130 Seymour Place, London W1H 6AA. Tel: 01-402 5201, enclosing a C.V. All applications will be treated in strict confidence.

Financial Controller

c.£30,000 BASIC

Banking — Age 30-34

Few Chartered Accountants meet the following specifications:

- ☐ Age 30-34
- ☐ Demonstrably worth c£30,000 plus full City benefits.
- ☐ Outstanding leadership ability, drive and commitment.
- ☐ Experience at a senior level in an expanding, broadly based banking environment.

OR

- ☐ Rapid progression to manager level as financial sector specialist in a major professional firm.
- ☐ Tough but agreeable personality.

If you are one of them, please contact us immediately. Peat Marwick is acting for a City bank, a dynamic and powerful force in a rapidly changing sector.

You can register an interest by writing in confidence to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD, explaining how you meet our client's specification.

PEAT MARWICK

Financial Director

Up to £25,000+Executive Car
Buckinghamshire

Our client, a major household name and a wholly owned marketing and manufacturing subsidiary of an internationally famous Group has, due to promotion and further growth, identified the need to appoint a high calibre **FINANCIAL DIRECTOR.**

Working closely with the Managing Director and other Board members you will provide financial input to strategic planning, commercial development and effective decision making. High leadership and communication skills are vital.

Qualified Accountant preferably chartered, aged 33-40, with impressive career profile in financial and management accounting, line management and corporate planning, probably in light industry or distribution.

Substantial benefits including profit bonus and relocation expenses. Candidates should write, in confidence to:— Alan A. Smith, Director, ARA International, Edman House, 17/19 Maddox Street, London W1R 0EY.

ARA International
SEARCH, SELECTION AND RECRUITMENT ADVERTISING.

Assistant Financial Controller

Central London — £20-22,000

Leading International Advertising Agency operating throughout Europe seeks an Assistant Financial Controller for its European Head Office based in London. This is a new position, reflecting the company's commitment to growth internally and through acquisition. The selected candidate will be part of the new HQ team, and will report directly to the European Financial Director. The candidate must be people-oriented, willing to travel, and have a hands-on attitude to achieving projects. Key tasks include:

- Control of financial results of European affiliates
- Implementation of profit improvement measures
- Development of financial procedures and EDP systems

Candidates will probably be aged between 27-30 and have European experience either in auditing or in a multinational environment. Good knowledge of U.S. accounting and reporting methods and of EDP systems is essential. Nationality open.

Good career prospects exist either through further development of position and responsibility, or into financial management of a local agency. Salary and benefits negotiable depending on age and experience.

Please write in strict confidence with full personal and career details to Box A8855, Financial Times, 10 Cannon St. London EC4P 4BY.

YOUNG AMBITIOUS ACCOUNTANTS

Will the employers be head hunting you in 1985?

After registering with Hall-Mark you will be in line for an exciting range of opportunities without even applying and can sit back and let the employers come to you.

Hall-Mark is the register for Accountants and Financial Managers. As specialists we have our finger firmly on the pulse of the market. Employers appreciate our advice and expertise and this is why we have built up such an impressive portfolio of clients, amongst them some of **Britain's most *successful and influential companies.***

The searches currently being conducted are for positions **throughout the UK** in a salary range of £12,500–£30,000 p.a.

It's a simple, fast, fuss-free method of getting the companies that count in contact with the people who should count for more.

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London House, 271-273 King St., London W6 9LZ.

For full details of how our fast, **FREE AND FULLY CONFIDENTIAL** service operates, please send off the coupon to: Michael Polley, FCA, Hall-Mark Appointments Register, FREEPOST, London W6 9BR (no stamp required). Or phone: 01-741 8011 01-748 3444 (24 hrs.) Prestel 013903873.

Name__________

Address__________

FT10/1

Financial Controller

Partner status

This substantial firm of solicitors, which has greatly expanded the range and volume of its advisory services in recent years, requires a financial controller to take charge of its financial affairs and act as partnership secretary.

With similar status to a partner, the financial controller will be a key member of the management team and will work closely with the managing partner in the development and implementation of financial strategies. The role will also entail co-ordinating partnership decisions and enhancing computer systems, with particular emphasis on financial and cash planning and control.

The requirement is for a qualified accountant, aged around 35, with the authority and technical ability to develop a close relationship with senior management in a professional environment.

Remuneration: around £25,000 plus other benefits.
Location: Central London.

Please write in confidence to CT Garcia (Ref 221F).

TML KMG
Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX

Group Financial Control

Recently Qualified Accountant

London — c£14-16,500 + substantial benefits

One of the UK's most prestigious financial groups offers an outstanding career opportunity to an ambitious young accountant with up to two years post qualification experience, preferably gained in one of the major professional firms.

As a member of a small well respected central financial control team you will, inter alia, appraise and report on the group's diverse and worldwide activities, prepare group results and monitor accounting policies. Numerous ad hoc financial exercises will provide wide ranging accounting and reporting experience.

The size and diversity of the group offer extensive opportunities for career progression within the central function or in the operating divisions.

Salary is negotiable and the comprehensive benefits package includes a non-contributory pension scheme and subsidised mortgage.

Contact David Tod BSc FCA on 01-405 3499 quoting ref: D/45/FF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Financial Controller

Outstanding Growth Opportunity

Peterborough — c£20,000+Car+Share Options

With a well established brand name and quality fmcg product range our client has achieved spectacular success over the last two years and is poised for further growth and diversification.

A high calibre commercially experienced Chartered Accountant, preferably aged c28-32, is sought to join the recently reorganised management team. Responsible to the Finance Director for management and statutory accounting you will assess and report on performance, both in the UK and overseas, upgrade existing computer systems and assist with corporate development, including acquisition studies. Hence an opportunity to make a significant contribution to both profitability and future growth.

Relocation assistance will be given and the prospects and potential earnings are *considerable* – a possible divisional financial directorship and projected group flotation make this an opportunity not to be missed.

Contact David Tod BSc FCA on 01-405 3499 quoting ref: D/46/PF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
RATE £37.00 Per Single Centimetre

ACCOUNTANT

Growing public listed company in publishing with substantial oversea activities and turnover of around £190 million requires Chartered Accountant experienced in group consolidations and computer assisted systems (preferably mini). The position at the company's Head Office in London, created because of continuing growth, offers considerable scope for advancement. The age of the successful applicant is expected to be around 30. Starting salary circa £15,000. Please send comprehensive curriculum vitae including salary history to

Box A8853, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Personnel

GROUP FINANCIAL CONTROLLER

CENTRAL LONDON — £17,500 + Car

Our clients' business is leisure and their trademark is successful acquisition and development of new companies. Crucial to the continuing success of this process is the recruitment of an Accountant with a wide range of skills for the above post.

First and foremost will be the ability to provide sound financial assessment of potential new ventures, including use of computer modelling exercises and feasibility studies. Candidates must combine the analytical techniques required to complete this function positively, with the practical ability to handle financial control of the group. Emphasis will be placed on management accounting, budgets and forecasts.

Little of this position is to do with routine – candidates must want more than a numbers role and must have confidence in their ability to contribute to company profitability.
REF: C524.

ACCOUNTANCY PERSONNEL
307-308 High Holborn, WC2
Tel: 01-404 4561

Late night opening Thursdays till 7pm.

Placing Accountants First

Accountancy Appointments

Accountants for Consultancy - a question of balance

There has been a dramatic increase in the demand for management consultancy and management advisory services from both the public and the private sectors.

We — and our competitors — all need more high calibre staff for this work, and you will have noticed in the financial and management press an ever increasing number of advertisements for professional staff.

When you read these advertisements you will notice that the qualifications, qualities and experience called for by the leading firms vary little.

We are all looking for graduate accountants aged 28-33, who have a record of achievement within well managed organisations in the private or the public sector.

We all offer high starting salaries, cars, and rapid career advancement. What in fact is the difference between the firms? Why should you choose Peat Marwick?

We believe the difference is a question of balance.

- We are carefully organised, but not too tightly structured . . .
- We have some important industry specialisations, but many people work in a wide range of industries . . .
- Most of our work is in the UK, but some assignments take us overseas . . .
- We have certain operating standards, but we tailor solutions to client problems; we do not push the client into standard off-the-shelf solutions . . .
- We believe in, and practice, training and development, but we ask you to suggest the direction in which you would like your training and career development to proceed . . .
- We are keen to win new business, but our prime objective is to provide a first class service to our existing clients . . .

Perhaps the balance can best be illustrated by comments from accountants who have joined us recently:

"I looked around a lot before I joined you . . ."

"Your interviews were more thorough, but more friendly . . ."

"The people I'm working with are not theoreticians, they're all achievers, and some of the most interesting people I've ever met . . ."

"I have to work to high standards, but I can fully use my ideas and my experience . . . when I need support it is available in depth . . ."

"The atmosphere suggests competence and enthusiasm . . . a very professional environment . . ."

We believe this question of balance is of crucial importance. If you feel it would be important to you, come and talk to us. To enable us to prepare for the discussion please send a brief cv and a day time telephone number to: M.J.H. Coney, Peat, Marwick, Mitchell & Co., Management Consultants, 1 Puddle Dock, London, EC4V 3PD, quoting reference A/AJ5

PEAT MARWICK

FINANCIAL CONTROLLER CHICHESTER

Qualified Accountants 30-40 — **to £19,000 + Car + Benefits**

Our client is a long established and highly profitable subsidiary of a U.S. Group. It is the market leader in its sector of the food industry and current turnover is in excess of £23 million.

An opportunity has arisen for an experienced accountant to take responsibility for the operation of the Company's financial planning, costing and control procedures using sophisticated E.D.P. systems.

Reporting to the Financial Director, the position calls for a strong commercial awareness and first class communication skills.

Candidates should have ideally experience of a fast moving consumer goods manufacturing environment operating to tight reporting deadlines.

For more information please contact **George Ormrod B.A. (Oxon)** or **Tim Forster B. Comm** on **01-836 9501** or write with C.V. to **Douglas Llambias Associates at our London office quoting Reference No. 4942.**

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

Management Accountant

Greenford, Middlesex

Glaxo Pharmaceuticals Limited is a principal UK operating subsidiary company of Glaxo Group and also has responsibility for the co-ordination of marketing and technical services world-wide.

The Finance Division, based at the company's headquarters at Greenford, provides a complete range of company management information including sales and profit performance, manufacturing and product costs, and product development and capital expenditure reporting. Necessarily, the management information systems are complex and sophisticated with a high degree of computerisation.

We are looking for an outstanding professional who will play a key role in providing financial information to senior management. Immediate responsibilities will include the preparation of budgets, financial plans, financial appraisals of capital investments, and management and financial reports for board level consideration.

Applicants should be qualified graduate accountants, with some post-qualification experience in industry or the profession, who are able to communicate effectively with all levels of management. We are seeking to recruit someone with both the ambition and the potential for development in the future to a more senior role in the financial control of the company.

We offer an attractive remuneration package, including a profit sharing bonus scheme and non-contributory pension scheme.

Please write or telephone for an application form to: Mr. M. E. Bates, Senior Personnel Officer,

Glaxo Pharmaceuticals LIMITED
GREENFORD ROAD, GREENFORD, MIDDX. TEL. 01-422 3434 ext. 2837 quoting reference MEB/776.

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

Northumberland,
to £16,000 + profit sharing + car

Our client, a highly successful private company manufacturing luxury consumer products for international recreation markets, is currently expanding into new product and market areas. Responsibility is to the Managing Director for the control of the financial, administration and MIS functions, including the production of management and statutory accounts to strict deadlines and the provision of financial advice for the senior executive. A key requirement is the review and updating of the organisation's standardised costing system. Qualified accountants with defined management skills and an outgoing personality must demonstrate success in a senior accounting role in manufacturing industry in a small to medium sized company and have extensive experience of computerised accounting techniques. Comprehensive benefits include relocation assistance if required and future prospects within this rapidly developing organisation are excellent.

K.H. Thompson. Ref: 46010/FT. Male or female candidates should telephone in confidence for a Personal History Form **0632-327455.** 4 *Mosley Street.*
NEWCASTLE-UPON-TYNE, *NE1 1DE.*

HEAD OF FINANCE

circa £27,500

Applications are invited for this important senior appointment based in Bristol.

The Head of Finance will be responsible to the Chief Executive for the provision of a full financial service to the Authority and be the chief adviser on all its financial activities. The Authority currently has an annual turnover of £100m and a capital investment programme in excess of £45m per annum. The management of these budgets, the collection of income and the provision of an efficient standard of service to the consumer are all key aspects of the appointment.

The successful candidate will have considerable experience of financial management in a large organisation, evident flair in business and management, together with the capability of making a significant contribution to the overall management of the Authority. Appropriate professional qualifications are a prerequisite.

The industry's conditions of service for senior staff will apply, a car will be provided and assistance will be given with relocation where appropriate. Further details and application form, which should be returned no later than 30 January 1985, are available from: R W P Bailey, Head of Personnel Services, Wessex Water, Wessex House Passage Street, Bristol BS2 0JQ. Telephone Bristol 290611.

Wessex Water

High Calibre Accountant

Aylesbury — **c £16,000**

Our client, Rothmans International plc, is a diversified and successful international group, with worldwide sales of around £2,500 million and a strong record of profitable growth.

You will join a small team at corporate headquarters which reports to the Board and is concerned with all aspects of financial reporting. The year end consolidation and half yearly review of financial reports and accounting policies will take you to subsidiaries in Europe and North America, working closely with the group's professional advisers and top financial management in each country. You will also be involved on a variety of 'ad hoc' projects.

You must be a qualified accountant, probably in your mid twenties, with high technical ability and a first class track record in one of the international accounting firms. There are excellent prospects for career and salary progression in this highly professional and commercial environment. The remuneration package will be highly competitive.

Please write in confidence to John Cameron, quoting ref. C290, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Finance Director

Suffolk/Essex Border — **circa £25,000 + car**

Chartered Accountants, (male/female) aged 35-45, who have already gained experience in the capital goods industry, including the problems inherent in tendering and are seeking a role where they will be actively involved in the business decision process, will find this position both stimulating and demanding. Our client is an autonomous company (T/o £55m) within a major UK industrial group. The finance function, which is at present engaged in a major computerisation programme, has a staff of 60. Applicants therefore must have a proven track record in man-management and the ability to communicate effectively at all levels. Generous assistance will be given with relocation costs. Ref. 1334/FT. Write or telephone for an application form, or send full details (with telephone numbers and current salary) to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Cranfield

Finance & Contracts Manager

scale rising to c. £15,000

This is a new post in the School of Mechanical Engineering at Cranfield Institute of Technology, one of the country's leading and most innovative technological centres. The School has a high reputation for all its activities, which include a large programme of industrially sponsored research, and an annual budget in excess of £3 million. The holder of this post will be responsible to the Head of the School for key areas of financial management, which will include the development of financial and management information systems and contract pricing and control procedures.

Candidates must have experience in budgetary control, costing and computer based systems, and preferably will hold an accountancy qualification coupled with industrial experience. The ability to gain the confidence of highly qualified technical colleagues is an essential quality.

Applicants are invited to send a c.v. to Professor R. S. Fletcher, School of Mechanical Engineering, Cranfield Institute of Technology, Cranfield, Bedford, MK43 0AL.

FINANCIAL CONTROLLER

Holborn — **up to £20,000**

A well-established highly respected medium-sized firm of Solicitors is looking for an experienced qualified accountant with management abilities to act as the Financial Controller of the practice.

The Financial Controller's responsibilities will be:–

- to manage the computerised accounts department and general administration of the firm;
- to develop financial and cash planning, budgeting, accounting procedures, costing records and systems controls;
- to provide the Partners with management accounts and financial data.

The successful applicant will also act as Secretary to the Partnership.

Ideal candidates, preferably aged 30 to 45, will have a thorough understanding of the needs of a medium-sized professional partnership, and be able to accept the challenge of introducing and maintaining an up-to-date accounting organisation and system. Experience of working with computer systems is essential. The salary and benefits will reflect the seniority of the position.

Applications, giving full details of previous experience and current salary, quoting reference DF/2060, should be sent in complete confidence to Patrick E. Bailey, at

Dearden Farrow A.I.M.
Management Consultants
40/43 Chancery Lane, London WC2A 1JJ

A.I.M.

Accountancy Appointments

Chief Accountant

North West **To £16,000 plus car**

Our client, a major security print and promotion company with a very impressive growth record, wishes to recruit a Chief Accountant.

The successful applicant will be responsible for the complete financial function of the company which includes the evaluation of diversification projects.

The ideal candidate will hold a professional qualification and have gained several years commercial experience.

An attractive remuneration package commensurate with qualifications, experience and achievement will be negotiated with the successful applicant A relocation allowance will be provided if necessary.

Please reply in confidence giving full details of career to:

G N Elliott, Stoy Hayward & Co., Peter House, St. Peter's Square, Manchester M1 5BH.

Exceptional Accountant

London base **Up to £24,000 + car**

We are an expanding firm of management consultants associated with a leading accountancy practice. We advise on a broad range of problems including financial planning and analysis, and the design and implementation of management information systems.

There is currently an outstanding ground floor opportunity for an ambitious accountant to be associated with our growth. You will work with consultants from other disciplines, and there will be an opportunity to work in a variety of industries.

Your industrial or commercial experience could have been gained in either a line or staff position; but you must be a qualified accountant with an ability to stand alone with clients at a senior level. Previous experience of internal or external consultancy would be helpful, as would some knowledge of the installation of software packages.

Please write in confidence to Robin Gorringe, Managing Director, Clark Whitehill Consultants Ltd, 25 New Street Square, London EC4A 3LN (telephone 01-353 1577).

Clark Whitehill
Constructive ideas in practice

Group Internal Auditor

Westminster

We are an expanding group of insurance companies with unit trust and property interests. We are creating a *new senior position for an Internal Auditor to take* responsibility for the many aspects of internal audit within the group.

The successful applicant, probably aged 28 to 40, will be a qualified accountant and will have had some practical auditing experience within the profession. This could be the first 'commercial' move for a young professional or the opportunity for an internal auditor in commerce to establish his/her own specialist department.

Reporting to the Secretary and Accountant, the Group Internal Auditor will be involved in formulating the corporate policy for internal audit and security, and the development of systems and procedures for the audit of branches, departments and data processing functions.

The appointment is based at Westminster but travel outside London to branches, Head Office departments and subsidiary companies will be necessary. The salary will be circa £18,000 depending on experience.
The Company offers a car and a range of fringe benefits.
Please write in the first instance to A.W.D. Spackman, TD, ACII, Group Assistant General Manager, giving full details of career to date and how these would match the needs of the new appointment.

Municipal Mutual Insurance Ltd.,
Old Queen Street, Westminster, London SW1H 9HN.

TAX ADVISER / FINANCIAL ANALYST

International company based in West End of London has a vacancy for a Tax Adviser/Financial Analyst. Main duties shall be taxation advice on UK matters plus liaison with U.S. Tax Advisers. Supervision of accounts and preparation of quarterly Corporate Balance Sheets shall also be part of the job. The position requires a qualified CA with interest in Company Taxation with international flavour and all round ability in financial analysis of capital projects. Salary according to qualifications.

Please reply to Box A8856, Financial Times
10 Cannon Street, London EC4P 4BY

DIRECTOR OF FINANCE

Kent **£21,000 + Car**
+ Executive benefit package.

Our client is part of a highly successful multi-national group, operating worldwide.

The current Finance Director is due to retire in early 1985 and the UK company are now keen to recruit his successor.

Candidates, aged in their mid to late 30s will be qualified accountants, with a minimum of five years post qualification experience gained in an industrial/commercial environment. A knowledge of German would be useful but is by no means essential.

Written applications, enclosing career details, should be submitted, in the strictest confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4628.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PE. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

Partner Designate

Berkshire **£20,000 neg.**

Our client is a progressive medium sized firm of Chartered Accountants based in London with an expanding regional presence. A senior manager is currently sought for potential partnership to be based at a recently created office in Reading.

Providing a personal service to a varied client portfolio, principal assignments will include audit, accountancy, tax and broadly based financial/business counselling.

Candidates will be qualified Chartered Accountants aged 28-35 with at least four years post qualified experience, latterly at managerial level, and will preferably have first hand computer experience. To identify with this highly professional and enterprising firm, you must possess excellent organisational skills, strong commercial flair and an outgoing personality.

It is anticipated that the successful candidate will progress to partnership in the short term, and the initial salary package will be commensurate with individual experience and potential.

In the first instance contact **Charles Macleod** on **01-405 0442** or write, enclosing a comprehensive curriculum vitae, to Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Group Finance Director

Southern Home Counties *To £35,000*

Our client must be one of Britain's major success stories in recent years. In little over a decade, the Group has grown to become Europe's largest contractor in its field. The future promises to be even more exciting.

It is against this background that a Finance Director is now required to work in close collaboration with the Group's entrepreneurial Chairman and other board members to achieve ambitious further growth objectives. These include additional acquisitions, expansion of the Group's existing operations culminating in a full Stock Exchange listing in the short-medium term. The finance function is well structured and staffed and operates computerised accounting systems.

Candidates should be FCA, FCMA or FCCA qualified with a background of experience at a senior level in engineering, contracting or manufacturing concerns operating principally in overseas markets. Experience of taking a company to a public or USM listing is considered essential. Of prime importance also is the ability to negotiate multi-million pound contracts in overseas countries — often at ministerial level — and raising finance from ECGD, City and other funding institutions.

Salary will be negotiable to £35K and other benefits will be in keeping with the importance of this key position.

In the first instance, candidates should forward a c.v. to The Chairman, Ref. MA 541, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ

Robert Marshall Advertising Ltd

Head of Accounting

Bristol c. £15,000 + car

An outstanding opportunity has arisen for a *technically competent accountant with above* average business acumen to join Lucas Ingredients Limited, the leading U.K. manufacturer of savoury food ingredients and a subsidiary of Dalgety PLC.

Reporting to the Finance Director, the successful applicant will assume responsibility for costing, financial and management accounting. Working closely with senior managers from other disciplines, he/she will possess good interpersonal skills, sound management ability, and an innovative approach to financial and commercial matters.

Applicants should be professionally qualified with relevant experience in a manufacturing company.

Career prospects are good. The remuneration package includes a negotiable salary, 2 litre car, relocation expenses if appropriate, and other benefits associated with leading UK companies.

Applicants should send full career details to
Mr M Wormald, Personnel Manager,
Lucas Ingredients Limited,
Moravian Road, Kingswood, Bristol BS15 2NG.

Lucas

Controller

Management Accounting

South of England ***c.£25,000 + car etc***

Our client, a profitable and expanding UK public company, a recognised leader in its field belonging to a large multi-national group, operates and manufactures in the engineering sector and has a turnover in excess of £120m. It now wishes to recruit a 'business-minded' management accountant for this key position in keeping with the company's immediate development programme.

The newly created position of Controller – Management Accounting reporting to the Finance Director is designed to provide on a regular and ad hoc basis, high quality management accounting information, decisive in nature, dynamic in style to facilitate decision taking both at divisional and corporate level covering all aspects of operations either existing or proposed.

Applicants aged 30 to 45 must be in possession of a major accounting qualification, with extensive standard costing experience in the manufacturing industry. Analytical ability, initiative and communication skills are essential qualities as is a strong tactful personality which will ensure credibility at an early stage of employment.

In addition to salary and car, benefits will include pension scheme, BUPA and 5 weeks holidays per annum. Removal costs will be reimbursed should the successful applicant require to move home to take up employment. There are good prospects of promotion both in the UK and overseas.

Candidates can make application by quoting MCS/7151 and requesting a Personal History Form from Michael R Andrews, Price Waterhouse Associates, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts

Financial Director

Building/Construction c.£23,000

Our client is a major subsidiary of a rapidly expanding, medium sized UK group, involved in a wide range of industrial, commercial and retail premises construction work, mainly in the South East.

The Financial Director will be responsible for the complete finance function including contract cost control, the implementation and operation of computerised accounting systems, and meeting the group's reporting requirements.

Candidates, probably in their 30's, must be fully qualified accountants with a proven management record in the construction, building, and contracting industries within the UK.

An essential quality will be a strongly commercial approach and the ability to make a significant overall contribution to the successful management team.

The comprehensive remuneration package will include a performance related bonus, executive car, non contributory pension, and relocation expenses to the company's Northern Home Counties base if appropriate.

Please reply in complete confidence, enclosing a full curriculum vitae and quoting reference 1559 to Mike Hann who is advising on this appointment.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD

ACCOUNTANT

We are looking for a recently qualified accountant who will take charge of all our internal accounting functions covering administration and services and our trading branches (e.g. Hayward Gallery, Wigmore Hall).

The Accountant will report to the Internal Financial Controller and will manage the Accounts Section of 13 staff. She or he will be expected to prepare final accounts and show skill and enthusiasm for developing and implementing our computerised management accounting systems.

Salary is on a scale from £11,782-£14,444 per annum and the Council has a non-contributory pension scheme.

For an application form and job description please contact the *Personnel Department*, Arts Council, 105 Piccadilly, London W1V 0AU. Tel: 01-629 9495 ext 266. Closing date for receipt of applications: 25th January 1985.

— An Equal Opportunity Employer —

Arts Council
OF GREAT BRITAIN

HARP

c£14,000 + benefits

management accountant

Our client, Harp Limited, a subsidiary of the Guinness Group brews and markets Harp, Kronenbourg and Satzenbrau Diät Pils lagers. It is seeking a recently qualified accountant to join its small head office team based in Central London.

This is an excellent opportunity to gain varied business experience, especially as a first move from the Profession.

The main responsibilities will be preparing and monitoring budgets and cash flows and preparing management reports, making full use of and further developing computer systems. You will work closely with sales and marketing management, in particular on pricing and further market penetration and undertake wide-ranging financial and commercial exercises for the Finance Director.

Contact David Tod BSc FCA on 01-405 3499 quoting ref: D/52/HF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Accountancy Appointments

SAINSBURY'S
Financial Analyst
To £16,000 plus excellent package

This is a career opportunity to join one of our most successful public companies, J. Sainsbury plc, whose earnings per share have shown compound real growth of 13% p.a. over ten years. The current rate of investment far outstrips that of any other U.K. retailer.

As a result of internal promotion, the position of Financial Analyst is offered within the small but highly influential Financial Appraisal Department, which is responsible, inter alia, for the investment appraisal of all new branch projects. Career prospects are very good.

Candidates, ideally graduates, should have several years' experience in financial analysis and accounting, including computer-aided investment appraisal and capital project accounting. A professional qualification would be an advantage. The benefits package includes company car, profit-sharing and share-option scheme.

Please write in confidence, enclosing career details and quoting reference 5150/L, to N. P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Financial management
London, to £30,000

For a long established quoted group, turnover £300m which has widened its base considerably in recent years both geographically and in market and product sectors. With a strong balance sheet the company is well placed to further expand its range of interests both in the UK and overseas.

Reporting to the Group Financial Director the job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, trouble shooting and some systems work.

A qualified accountant probably in your early 30s you must have had several years' management accounting experience in industry both at divisional level and at the centre of a diverse group.

Résumés, including a daytime telephone number to John Robins, Executive Selection Division, Ref. R246.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

ELECTROSONIC
FINANCIAL CONTROLLER

If you are a qualified accountant who qualified at the first attempt, who is aged between 25 and 30 and who is currently earning £15,000 p.a. or more; and

If you have worked with your current employer for two years or more, have practical experience of working with computers and wish to make your future in the field of finance and management information systems; and

If you are also interested in joining a young, growing electronics company (turnover £10m) with good prospects of becoming its financial director;

I would like to hear from you. I believe we need one of you.

Ian Simpson, Managing Director
ELECTROSONIC LIMITED
815 Woolwich Road, London SE7 8LT

COMPUTER AUDIT OPPORTUNITIES

UK Wide **£15,000 – £25,000 p.a.**

Our client is a major international firm of chartered accountants with a substantial reputation for innovation and excellence in computer auditing. Its clients, which range from major industrial and financial organisations to recently quoted USM high technology companies, *present considerable technical challenge and learning* potential.

In order to meet its plans for growth the firm wishes to appoint to offices around the country chartered accountants with good practical experience of computer auditing. Opportunities are available either to join existing computer audit teams or to establish and develop computer audit services in certain major areas of the UK. The work will include the evaluation of controls in clients' systems and the development and implementation of in-house and client-based computer audit techniques. Very experienced candidates may be appointed as managers but there are a number of vacancies for relatively newly qualified accountants who have been *involved in computer audit work.*

These opportunities will appeal to men and women in the age range 27 – 33 who believe that their accounting, computer audit and personal communication skills are capable of further development in a demanding and challenging professional environment. Prospects for promotion are excellent.

For more information please contact **George Ormrod BA (Oxon)** or **Tim Forster B. Comm** on 01-836 9501 or write with your C.V. to **Douglas Llambias Associates Limited** at our London address quoting reference no. 4917.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants

DLA

NATIONAL TECHNICAL MANAGERS
Put your inside knowledge to good effect

Thornton Baker, one of the top 8 UK accountancy firms, has 60 offices throughout the country and is looking forward to continued expansion in 1985.

As you would expect strong technical back-up is absolutely vital to support this level of growth, and we are now looking for experienced Managers to join our National Office in London. These posts involve providing advice and guidance in many forms on audit, accounting, investigations, regulatory and industry areas. Since they are right at the heart of our business, these positions offer considerable scope for career development.

Senior Manager

We are looking for a capable and experienced person with 4-5 years' post qualification experience, with a strong audit bias, to provide informed guidance and development within the firm.

Manager

For those with 2-3 years' post-qualification experience, the role of Technical Development Manager offers a breadth of experience in developing the firm's services, not available in any one individual office.

As you will also be involved in research and creation of the firm's publications and circulars, considerable skill, in both verbal and written communication, is fundamental to both positions.

We offer generous salaries, *plus car* and a first-class range of benefits. Please write with full c.v. to:
Victor Tompkins—Director of Personnel,
Thornton Baker, Fairfax House, Fullwood Place,
London WC1V 6DW.

Thornton Baker — Nobody gets closer to clients

Financial Controller
Board prospects

West London **c.£25,000 + car**

This is the top financial position with the UK sales and marketing subsidiary of the world's largest manufacturer of printing presses. UK turnover is approximately £50m.

Reporting to the Managing Director, the successful candidate will lead an established *team providing financial, management information and EDP/systems support.* Key tasks will include the control and direction of all accounting matters; enhancement of management information systems, including development of the EDP function; and full participation in management decision making.

Candidates will be chartered accountants, probably in their 30's, with at least five years' industrial/commercial experience outside the profession. Familiarity with computerised accounting systems; the ability to meet tight deadlines; and previous management experience, are essential.

The position offers real prospect for promotion to the Board, together with an initial package of £25,000 plus car.

Please write – in confidence – with full details to I.R. Lloyd ref.B.46002.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Tate & Lyle PLC
Group Internal Audit Manager
Bromley, Kent
c. £20,000 plus car

A Chartered Accountant is required to manage the Group's Internal Audit Function. As the leader of a small professional team responsible for financial, computer and operational audit within the UK, the job holder is primarily concerned with ensuring the effectiveness and efficiency of control systems and making recommendations for improvements where necessary.

Candidates, *in their early thirties, must have sound audit* management experience and, where this has been gained in a professional firm, additional commercial/industrial experience is required. A knowledge of computer systems is desirable.

Proven man management and communication skills and the ability to build up sound working relationships, particularly at senior levels, are of key importance.

Other benefits include non-contributory pension and private medical insurance schemes.

Candidates should send a detailed career history to Jo Heigho, Consultant – Personnel Services, at: Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

Tate & Lyle

UK & EUROPEAN OPERATIONS
CONTROLLER

c. £30,000 + car **Bracknell**

TOP FINANCIAL ROLE IN UK & EUROPEAN HEADQUARTERS OF MAJOR US CORPORATION, PROVIDING ADVICE TO THE PRESIDENT, IMPROVING REPORTING SYSTEMS & CONTRIBUTING AS MEMBER OF SMALL HQ TEAM TO ENHANCEMENT OF PROFITABILITY.

Essential: Qualified accountant with significant financial control track record, analytical strength and motivational skill. Experience of: US & UK accounting conventions, consolidation, budget & plans formulation, manufacturing costs & MIS. 35-55 years.
Valuable: Experience in: US corporation, Continental subsidiaries, taxation, pensions. European languages.
Benefits: Salary+Bonus, Car, Non Cont Pension, LA, Good Relocation.
Telephone or Write to Tony Barker in confidence: Tel: 01-408 1612

Anthony Barker Consultants
Executive Search Consultants
67/68 New Bond Street London W1Y 9DF

Financial Controller

Surrey ***c£14,000 + car***

Our client is one of the largest property services groups in the UK with more than 120 branch offices, including residential estate agency, surveying, commercial property, relocation and insurance divisions.

The Group has ambitious growth and development plans and wishes to appoint a Financial Controller reporting directly to the Financial Director. The successful candidate will have responsibility for all aspects of financial control and for the implementation of new computerised accounting and management information systems for the Group.

Candidates should have sound experience in financial management, accounting and control. They should also have staff management experience and should preferably be qualified accountants. Previous experience of installing and operating a mini-computer based accounting system will also be a significant advantage. At a personal level, the qualities of initiative, enthusiasm and determination will be important attributes.

In addition to the salary indicated, benefits will include private medical insurance and a company car.

Candidates should apply in confidence detailing their career history and salary to:

Alannah Hunt, Executive Selection Division,
Price Waterhouse Associates, Southwark Towers,
32 London Bridge Street, London SE1 9SY.
Please quote reference MCS/6033.

Price Waterhouse
Business Needs Experts.

GROUP CHIEF ACCOUNTANT

RURAL BEDFORDSHIRE **C. £16,000 + CAR**

Tritrade is the largest delivered distributor of home improvement and garden accessory products in the U.K. with a turnover approaching £60m. It services independent retail outlets and national high street multiples with a wide range of well-known household products from 12 depots in the U.K. and Northern Ireland. In addition, it has the extremely successful own brand range of quality products sold under the "double H" brand.

Based at the company's head office in Flitwick, close to the M1, *and reporting to the Group Financial Director,* the Group Chief Accountant will be a full executive member of the management team. He/she will control the head office financial function through a staff of eight and implement group financial policies through a team of regional accountants.

The position would best suit a qualified Accountant with several years post qualification experience and who can demonstrate a proven track record of timely reporting in a multi location organisation. For the successful candidate we offer a benefits package that *reflects the seniority of the position, which includes* generous salary, company car, non-contributory pension, life assurance and family private health care.

If you have the qualifications and experience to play an important role within a major publicly quoted group send a detailed c.v. and covering letter outlining how you believe your experience matches our requirements to:

Mr. P. J. Palmer
Group Personnel Manager
TRITRADE HOLDING PLC
Kings Road, Flitwick, Bedfordshire MK45 1EH
Tel: 0525 712121

A successful and expending firm of consulting engineers seeks a

PARTNERSHIP SECRETARY (DESIGNATE)

London **c. £18,000 + car**

The firm of Troup Bywaters and Anders has grown rapidly since it was founded in 1958. Currently employing 150 people in four UK offices, the practice has recently undertaken a number of prestigious contracts. A full order book supports the partners' confidence in the firm's continued growth.

Due to the imminent retirement of the current Partnership Secretary, a successor is now required to manage all aspects of finance and administration, including office automation.

Applicants should be qualified accountants in the 28—45 age range who combine the willingness to be involved in matters of detail with the ability to take a strategic view and play an active role in the management team. Previous experience in a professional partnership would be an advantage.

Please send a comprehensive career résumé, including salary history and daytime telephone number quoting ref: 2239 to G.J. Perkins, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Accountancy Appointments

Systems Accountant
Aberdeen

Total Oil Marine, a subsidiary of a major French oil company, currently supplies around 40% of the UK's natural gas through the Frigg system. A substantial North Sea operator committed to an expanding programme of offshore activity, we are now developing the Alwyn North Field as an important new source *of both oil and gas for Britain.*

A new position has arisen for a Systems Accountant in our Finance Department in Aberdeen. Primary responsibilities will *include the in-house development of cost-*related computerised systems within the company, where you will be involved in initial feasibility studies right through to final implementation. Our business applications currently run on an IBM mainframe, based in Aberdeen.

Probably aged around 25-30, candidates must hold an ACMA, ACCA or CA qualification and have experience of modern integrated computerised accounting systems. The ability to communicate effectively is most important, utilising your creative and analytical skills to the full. In addition, extensive practical knowledge of business and finance systems will be invaluable.

Total offers an excellent index-linked salary with benefits including year-end bonus, BUPA membership, comprehensive pension and life assurance schemes and subsidised staff restaurant. Generous relocation *assistance will be available* where appropriate.

For an application form, please telephone or write to:
Paula Feathers,
Recruitment & Training Officer,
Total Oil Marine p.l.c.,
Crawpeel Road,
Altens, Aberdeen AB9 2AG.
Tel: (0224) 875555.

Total Oil Marine
Bringing energy ashore

Financial Accountant
Mayfair c. £17,500

A market leader in telecommunications technology, our client is the world's largest producer of fully digital switching and transmission systems. Their UK financial centre incorporates the company's data systems and telecommunications activities into one organisation.

This new position presents an ideal opportunity to support a well established and fast developing operation, and to contribute to its extensive future plans.

Reporting to the Director, Finance and Administration, initial responsibilities will include annual and quarterly budget preparation, capital investment project evaluation and financial analysis of major sales proposals. You will also be involved in head office accounting, management reporting and a variety of ad hoc projects.

A qualified accountant with several years wide-ranging commercial experience, preferably gained in a high-technology environment, you must have a proven record in implementing and developing business systems together with an incisive, professional approach.

An attractive salary is offered along with a generous benefits package associated with a successful, international company.

Please send full career details, or telephone for an application form, in confidence to
Karen Norris,
quoting reference 019/JN.

Chiltern Recruitment
Executive Search and Selection
10-12 High Street, Burnham, Bucks SL1 7JH. Telephone Burnham (06286) 67661.

Financial Management in a major bank

YOUNG QUALIFIED ACCOUNTANTS
c.£16,000 + mortgage benefits

Our client is the Treasury Division of one of the world's largest banks. It is engaged in a far-reaching development of its financial and control systems. As a result it wishes to recruit 3 managers within the following areas:

MULTI-CURRENCY ACCOUNTING/ STERLING ACCOUNTING

2 positions in line management. Both will control a small team with complete responsibility for the daily production of accounting information, with regular involvement in non-routine projects.

AUDITOR

To join a small team involved specifically in setting up effective financial and operational controls with particular emphasis on new products.

Candidates should be qualified accountants (ACA, ACMA, ACCA) and will probably have between 6 months — 2 years P.Q.E. A knowledge of banking, possibly through audit, is preferable but by no means essential. Above all, candidates must be natural communicators and be prepared *to adopt a 'shirt sleeves' attitude to these positions* as they all present personal and technical challenges above the norm. This is an ideal opportunity to commence a banking career with a prime banking name, within one of its fastest growing divisions.

Please contact Kevin Byrne or Sarah Beaumont on 01-588 6644, or send a detailed curriculum vitae to the address below —

Anderson, Squires Ltd.,
Bank Recruitment Specialists,
85 London Wall,
London EC2M 7AE.

Anderson, Squires

F.D. POTENTIAL

An excellent career opportunity exists within the holding company of a substantial U.K. engineering group. This key appointment is regarded as a stepping stone to a Financial Directorship of an operating subsidiary. As Management Accountant, initial responsibilities will include financial planning and analysis and assisting operating companies with systems and management information problems. Candidates, aged 26-32, will be qualified accountants with broad financial accounting experience and a proven track record. Ref: JG.

W. LONDON c.£17,000 + Car

SENIOR FINANCIAL ACCOUNTANT

Our client is a growing subsidiary of a U.K. retail group. This new position will suit a dynamic young accountant who seeks to make things happen. Reporting to the Financial Director the successful candidate will be responsible for managing and directing the finance *department, numbering 14 staff, and implementing major* new systems. Applicants should be qualified accountants with well developed management and communication skills, as well as a strong technical background. Excellent prospects within the group. Ref: CW.

N. LONDON £16,000 + Car

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON, EC2Y 5BA. 01-638 5191.

Group Management Accountant
Major Financial Services Group
Portsmouth

Schroder Financial Management Limited provides financial planning and investment expertise to both private and corporate clients through life assurance, pensions, unit trusts, and ancilliary financial services. The Company employs over 500 staff in over 20 locations in the United Kingdom.

A vacancy has arisen in the Head Office in Portsmouth for a Group Management Accountant. As a key member of the Group's Financial Management team, the Group Management Accountant will be involved in the preparation, implementation and monitoring of budgets and production of management information for Companies within the Group.

The requirement is for a qualified accountant with relevant experience preferably gained in a financial services environment. The nature of the role calls for a high level of communication skills and the ability to interact effectively with senior management within the Group.

In addition to a competitive salary, we offer a substantial range of benefits, which *includes a Company car, mortgage subsidy and non-contributory pension scheme.*

For further details and/or an application form, please write to or telephone:

G.M. Keeley, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, Portsmouth, PO1 2AW. Telephone: Portsmouth 827733 Ext. 335.

Schroders
Schroder Financial Management Limited

Company Accountant
A senior role with a high technology leader up to £14k

Dowty Electronics Ltd. is an expanding and highly profitable member of the international Dowty Group of Companies and a leader in the design, development and manufacture of advanced control and communications systems for aerospace, defence and industrial applications.

The Company comprises four autonomous Divisions – Controls, Communications, Systems and International Defence Systems, all *based in the London area.*

As a major part of Dowty's growth programme, a Company Accountant is now required for the Head Office based at Acton, West London. Reporting to the Financial Director, your responsibilities will include consolidating Divisional results, controlling cash flow, analysing *capital expenditure, preparing final accounts and consolidating* budgets and forecasts.

You will need to have ICMA, ACCA or ACA qualifications, plus at least 5 years' accounting experience at various levels, and will therefore, probably be beyond your mid-20s. Candidates within the *profession would be ideally suited to this position.*

This position represents an ideal opportunity to enhance your career prospects within the Dowty Group, and will be rewarded with an excellent salary, pension, life assurance scheme, relocation expenses where applicable, and all the benefits you'd expect from a *major international company.*

In the first instance please send a full c.v. or telephone for an application form to: Mr R. K. Wilkinson, Personnel Manager, Dowty Electronics Ltd., 136 Mansfield Road, Western Avenue, Acton, London W3 0RT. Tel: 01-992 3434.

Dowty Electronics Limited

Corporate Auditors
Knightsbridge

TEXACO

Texaco is one of the world's leading international oil companies. In line with steady expansion and commitment to the future, a new department is being established at our UK head office. As a result we are seeking two accountants to join our young, rapidly developing corporate audit team. The positions are based at Knightsbridge but will involve some UK travel.

Reporting to the department manager, and working in close association with other management, your responsibilities will include the preparation of preliminary surveys and audit programmes, the review and analysis of internal operating functions and systems, the evaluation of audit test results and the progressing of audit exceptions.

Aged 25-30 you must hold a recognised accounting qualification, and have 1-3 years sound audit experience preferably gained in a large firm working on major clients or within internal audit. Good communications skills are essential.

Write enclosing full c.v. in the first instance to:
Mike Swain, quoting ref: FT/1,
Royds Personnel Services Limited,
Royds House, Mandeville Place,
London W1M 6AE.

RPS
Royds Personnel Services London Limited

Financial Controller
Commodity Trading
London £20,000-£23,000 + car

Our client is a leading and highly successful group of companies trading in edible commodities and operating food related manufacturing companies.

Expansion demands the appointment of a financial controller who will report to the main Board and be responsible for the accounting and reporting functions of all group companies both in the UK and on the Continent. Additionally, this person will be heavily involved in computerisation studies and will participate in the investigation of potential acquisitions.

The position will suit a graduate chartered accountant, aged 30-35, with a special interest in the financial aspects of commodity trading and the *self starting ability* to control this function with minimal supervision.

In the first instance please send brief personal and career details, *in confidence, to* Douglas G *Mizon quoting* reference F515M.

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

AUDIT CONTROLLER
Salary minimum £16,000

This appointment is required in early 1985, and is due to the retirement of the present holder. The objectives of the post are to assist the Society's management to discharge their responsibilities effectively, regarding management, administration and finances, by the appropriate appraisal, analysis and review procedures. Candidates should hold recognised accounting, internal audit or similar professional qualifications. Experience should encompass substantial audit content with not less than 10 years *involvement in the internal audit function.* Candidates must be prepared for considerable travel content in the role. Preferred age 35-55.

For further details and an application form please contact Mrs C E Mackness, Senior Personnel Officer, 12 Park Crescent, London, W1N 4EQ, Tel: 01-636 5020 ext 278.
Closing date 24th January 1985.

THE SPASTICS SOCIETY

CHIEF ACCOUNTANT
Licensed Dealers in Securities

Exceptional opportunity for *enterprising* accountant to assume financial and administrative control of rapidly expanding City-based Licensed Dealers. Starting salary to £16,000 plus bonus with prospects of speedy and substantial progress.

Apply with full c.v. in strictest confidence to Box A8848
Financial Times
10 Cannon Street, London EC4P 4BY

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

PART-TIME INTERNAL AUDITOR

Applications are invited for this position responsible, to the Finance Officer, for the drawing up, execution and periodic revision of an audit programme covering all the financial operations of the School. It is expected that the appointment would occupy between 15 and 20 hours a week; working hours to be arranged with the Finance Officer. Applicants should have extensive accounting and audit experience and preferably possess a professional qualification in accountancy.

Salary will be at an appropriate *point, proportionate to the hours* worked, on a full-time scale including London Allowance of £12,908-£16,158, according to qualifications and experience.

Application form and further particulars obtainable from the
Personnel Officer
London School of Economics
Houghton Street, London WC2A 2AE
01-404 4769

Applications should be returned by 28 January 1985.

Accountancy Appointments

Finance Manager

Southern England **to £25,000 + car**

Our client is a major part of an international group specialising in the marketing of high technology equipment. A growing and dynamic company, UK turnover is currently in excess of £100 million.

An opportunity has arisen for a high calibre professional to head a small team and assume responsibility for the cash management, foreign exchange dealings and credit management of the organisation. Reporting at a senior level you will be expected to communicate effectively with banking institutions, Government agencies and the sales, accounting and administrative functions within the company.

Candidates will preferably be graduates, ideally possessing a professional qualification and a consistent and progressive track record to date. Key personal qualities include drive, initiative and the self styled determination to match the company's progression in this competitive market sector.

An attractive salary package including a company car will be offered to the successful candidate.

Applicants should write to Nigel Bates FCA, enclosing a comprehensive curriculum vitae, quoting ref. 196, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Manager

Frontier Technology

£21,000 + Car

S.W. London

This innovative company is a world leader engaged in the engineering, design and construction of oil extraction facilities. Part of a U.S. multinational, the Europe/Africa Division *employs some 5,000 people. Its unrivalled* achievements in the most inhospitable of environments have contributed to its success and expansion. Consequently, the financial control function is to be further strengthened.

The Financial Manager of a major operating division leads 25 staff and is responsible for the integrity of the financial systems. The finance function supports a demanding management team by providing and interpreting technically complex monthly information. The Manager will be involved in bidding and contract negotiations and will be expected to contribute to commercial decisions.

The company seeks a qualified accountant aged around 32. You will need previous staff *management and line accounting experience.* More important, you should have the intellect, communication skills and maturity to participate in the growth of this expanding operation. There are outstanding opportunities for promotion and development.

Please reply in confidence giving concise career, salary and personal details quoting Ref. ER742/FT to H. F. Male, Executive Selection, **Arthur Young, Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young Executive Selection
Your next good idea

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Challenging Management/ Accounting Opportunities

East Midlands, £18,000 + car

Part of a major International organisation, the client is a substantial and profitable engineering contractor undertaking large multi-disciplined turnkey projects worldwide. These key appointments represent superb opportunities for accountancy professionals to further develop their careers.

Cost & Management Accountant

Reporting to the Financial Director, responsibility will involve project appraisal, project cost control, on site assessment, and human resources development. The successful candidate will have the communications skills/personal qualities commensurate with working effectively with a wide range of operational and functional management. Applicants, aged 30-45, with ACMA or equivalent, should have a broad and progressive cost and management accountancy background gained in a contracting or engineering/manufacturing background.

Chief Accountant

Reporting to the Financial Director, responsibility will be for the integrity of the accounting system, statutory and internal company reporting requirements, and the performance of an accounts team. Technical expertise and the skill to communicate effectively at all levels are essential requirements. Candidates, aged 30-45, with ACA or equivalent, should have a progressive and successful track record ideally including experience of large company reporting procedures.

Both appointments will involve significant overseas travel for which there is an appropriate full allocation allowance. The excellent company terms and conditions include relocation assistance to this attractive area.

J.H. Wright. Ref: 36418/FT. Male or female candidates should telephone in confidence for a Personal History Form, **021-622 2961,** *Albany House, Hurst Street,* **BIRMINGHAM,** *B5 4BD.*

EDP AUDITORS (3)

Age 22-30 neg. £17,000-£20,000 + CAR

Our clients are a CITY based BRITISH MULTI-NATIONAL with 2 vacancies involving INTER-NATIONAL TRAVEL to the USA, FRANCE & GERMANY. In this case the overall travel percentage is c.20% so that candidates can be either married or single.

Annual turnover is currently in excess of £1,000m and members of the EDP audit team will be working on some of the most highly developed IBM SYSTEMS in operation today.

The third vacancy involves 50% European travel for a U.S. MULTI-NATIONAL in Surrey with $500m current EUROPEAN turnover and a RECENT MAJOR ACQUISITION adding an additional $200m to annual sales.

EUROPEAN TRAVELLER

Age 22-27 neg. c.£17,000 + relocation

Our client is a major U.S. multinational based in WEYBRIDGE with projected turnover approaching $1,000m.

The successful candidate will be a young qualified single ACA/ACCA or equivalent with a good professional background and strong all-round personal attributes.

There is a HIGH TRAVEL percentage throughout Europe i.e. to FRANCE, GERMANY, SPAIN, SCANDINAVIA, DENMARK, BENELUX countries and SOUTH AFRICA.

Candidates should therefore ideally have a GOOD to FLUENT second EUROPEAN language or at the very least be willing to achieve fluency swiftly.

Please contact and send your C.V. to:

GEORGE D. MAXWELL, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct) or 01-637 5277 ext 281/282

Accountancy Appointments Europe

FINANCE MANAGERS

BRACKNELL

British Aerospace Dynamics Group at Bracknell is a major contender in design and development of leading-edge defence systems. The Finance Department operates in a highly stimulating, professional environment which furthers established skills. Qualified accountants, with proven management experience, will be given every opportunity to enhance their prospects.

We now require:

FINANCIAL ACCOUNTING MANAGER

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Recruitment Division

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday January 10 1985

New bond issues find the going tough, Page 42

WALL STREET

Positive undertone develops

A CHANGE of mood emerged on Wall Street yesterday when unemployment statistics for December indicated renewed vigour in the economy, *writes Terry Byland in New York.*

A fresh dip in federal funds and other short-term interest rates prompted the first of an expected round of prime-rate cuts by the banks.

The stock market bounced up through the 1,200 level of the Dow Jones industrial average as turnover gathered pace at midsession. By 3pm the Dow was 9.38 higher at 1,201.08.

The credit sector, however, was less happy with the prospect of a resurging economy which may discourage the Federal Reserve from a further easing in credit policies. Treasury bill and money market rates eased, behind the lower federal funds rate, but the bond market hung fire after losing some early gains.

The December unemployment figures were "pretty good news" for the stock market, said Mr Roger Brinner of Data Resources, the economic forecasting firm. Although unemployment was a shade higher, an increase in non-farm employment indicated a pick-up in the economy.

Some analysts began upgrading their forecasts both for GNP and corporate profits in the first quarter of 1985, optimism was further encouraged when Southwest Bank of St Louis cut its prime rate from 10¾ per cent to 10½ per cent. The St Louis bank has previously been a front-runner in prime rate changes, and the market hopes to see the big money centre banks cutting rates this week. Also bullish was a reduction by U.S. Trust in its broker loan rate, from 9¼ per cent to 9 per cent.

The banks will this week open the corporate reporting season with profits statements for fiscal 1984. Fleet Financial rose $⅛ to $29⅛, after announcing higher earnings for the final quarter. Other banks were mixed.

Wall Street's predictions for fourth-quarter results from the industrial sector is overshadowed by the apparent slowdown in the economy towards the end of the period, and this continued to curb enthusiasm yesterday. A big hurdle could be IBM's results, expected next week. At $120¼, IBM added $½, but Digital Equipment, number two in the industry, jumped $2½ to $104⅝. Higher profits at Colt Industries took the stock up $1⅛ to $52¼.

Renewed nervousness over tensions in the home computer market drove Commodore International down $1⅞ to $15.

General Motors, responding to formation of a new Saturn car subsidiary to meet the Japanese challenge traded $⅞ to the good at $77⅞. Ford at $44⅛ gained $⅜.

Oil stocks remained sluggish as world oil prices continued to slide. Exxon was unchanged at $44⅝, and Atlantic Richfield at $42½ lost $⅛. The Occidental-Shamrock fiasco, with its severe loss to underwriters, has temporarily curbed the bid speculators.

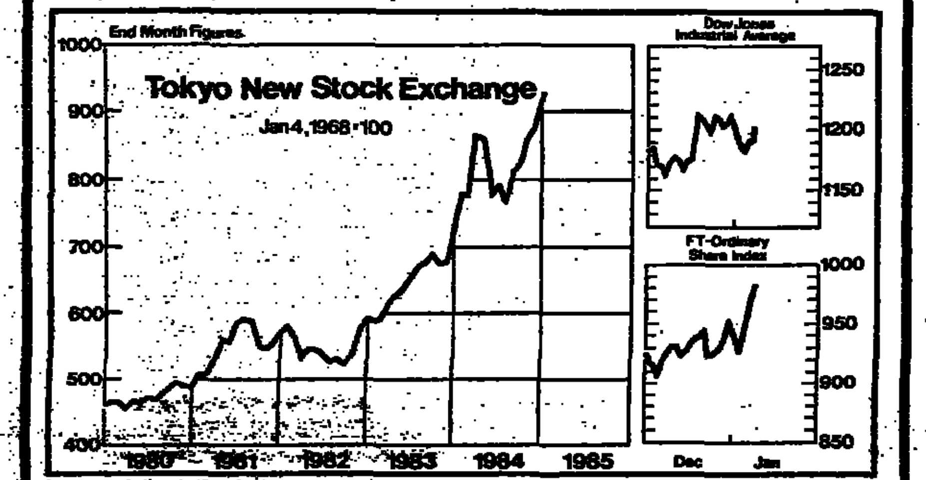
Occidental at $25½ gained $½, and Diamond Shamrock edged up $⅛ to $18¾, but both stocks traded calmly. Tidewater, the oil rig service group, eased $½ to $18½ after the board rejected Mr Irwin Jacob's offer of between $25 and $28 a share.

Lower oil prices were still good news for airline stocks. United added $½ to $45½ on disclosing a special gain to profits, while American Airlines stood out again at $37⅛, a net $1 higher.

Dull spots, against the trend, included Deere, the farm equipment maker which dipped $⅛ to $29½ after Standard & Poor's downgraded its debt, and International Harvester, $¼ lower at $8.

In the credit market, federal funds dipped to 7⅞ per cent, helping the short end of the market. Bond prices, however, were held in check by the unemployment statistics and by uncertainty ahead of further increase. The price of the key long bond at 102 11/32 was hardly changed from overnight. After moving through a narrow range.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 9	Previous	Year ago
NEW YORK			
DJ Industrials	1,201.08*	1,191.70	1,286.22
DJ Transport	563.11*	556.69	612.63
DJ Utilities	147.00*	146.85	133.77
S&P Composite	165.12*	163.99	168.90
LONDON			
FT Ord	983.1	971.2	790.0
FT-SE 100	1,259.2	1,243.5	1,094.6
FT-A All-share	605.35	598.31	482.49
FT-A 500	665.74	657.69	515.2
FT Gold mines	451.3	455.2	546.6
FT-A Long gilt	10.36	10.4	10.1
TOKYO			
Nikkei-Dow	11,763.57	11,679.79	10,053.8
Tokyo SE	926.4	922.54	750.31
AUSTRALIA			
All Ord.	715.6	718.3	787.9
Metals & Mins.	395.2	396.6	565.8
AUSTRIA			
Credit Aktien	58.73	58.91	55.49
BELGIUM			
Belgian SE	2,153.45	2,158.3	–
CANADA			
Toronto			
Metals & Minls	1,933.2*	1,922.5	2,517.0
Composite	2,355.9*	2,348.5	2,580.9
Montreal			
Portfolio	117.79*	117.15	127.52
DENMARK			
Copenhagen SE	159.28	158.44	221.97
FRANCE			
CAC Gen	187.7	186.1	165.5
Ind. Tendance	103.4	103.2	87.7
WEST GERMANY			
FAZ-Aktien	392.73	391.66	359.96
Commerzbank	1,141.4	1,137.8	1,065.4
HONG KONG			
Hang Seng	1,269.95	1,283.01	937.46
ITALY			
Banca Comm.	238.21	232.84	203.62
NETHERLANDS			
ANP-CBS Gen	186.9	188.2	165.6
ANP-CBS Ind	149.6	149.8	137.6
NORWAY			
Oslo SE	308.79	307.23	232.0
SINGAPORE			
Straits Times	770.45	782.68	1,034.38
SOUTH AFRICA			
Golds	939.7	934.9	810.2
Industrials	824.8	915.3	1,008.4
SPAIN			
Madrid SE	104.94	105.0	102.29
SWEDEN			
J & P	1,417.51	1,409.6	1,506.16
SWITZERLAND			
Swiss Bank Ind	403.5	403.3	384.5
WORLD	Jan 8	Prev	Year ago
Capital Int'l	185.6	184.7	187.1

GOLD (per ounce)

	Jan 9	Prev
London	$300.55	$302.25
Zürich	$298.00	$300.75
Paris (fixing)	$300.04	$305.53
Luxembourg	$298.65	$303.75
New York (Feb)	$305.50	$298.00

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Jan 9	U.S. DOLLAR Previous	STERLING Jan 9	STERLING Previous
$	–	–	1.142	1.148
DM	3.163	3.154	3.6075	3.62
Yen	255.05	253.7	290.25	291.25
FFr	9.685	9.6625	11.03	11.15
SwFr	2.6515	2.6355	3.02	3.025
Guilder	3.565	3.563	4.065	4.0925
Lira	1,937.5	1,933.5	2,214.5	2,224.25
BFr	63.2	63.15	72.15	72.4
C$	1.32025	1.32075	1.5095	1.5175

INTEREST RATES

	Jan 9	Prev
Euro-currencies (3-month offered rate)		
£	10 5/16	10⅜
SwFr	4 13/16	4 13/16
DM	5 11/16	5⅝
FFr	10⅝	10 11/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	8⅜	8 7/16
6-month U.S.$	8⅝	8 13/16
U.S. Fed Funds	7 15/16*	8
U.S. 3-month CDs	8.00*	8.10
U.S. 3-month T-bills	7.69*	7.76

U.S BONDS

Treasury	Jan 9* Price	Jan 9* Yield	Prev Price	Prev Yield
9⅞ 1986	99 29/32	9.91	99 28/32	9.94
11⅝ 1992	101 13/32	11.33	101 13/32	11.33
11⅝ 1994	101 3/32	11.43	101 7/32	11.41
11¾ 2014	102 11/32	11.47	102 14/32	11.46
Corporate				
AT & T				
10⅜ June 1990	95⅞	11.40	95⅞	11.40
3⅞ July 1990	73½	10.30	73½	10.30
8⅜ May 2000	76⅛	12.25	76⅛	12.25
Xerox				
10⅜ March 1993	93⅝	12.00	93⅝	12.00
Diamond Shamrock				
10⅜ May 1993	92⅝	12.10	92⅝	12.10
Federated Dept Stores				
10⅜ May 2013	86⅜	12.30	86⅜	12.30
Abbot Lab				
11.80 Feb 2013	94½	12.50	94½	12.50
Alcoa				
12¼ Dec 2012	96⅛	12.75	96⅛	12.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Mar	71–26	71–31	71–18	71–23
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Mar	92.03	92.05	91.96	91.94
Certificates of Deposit (IMM)				
$1m points of 100%				
Mar	91.31	91.34	91.25	91.18
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Mar	90.93	90.96	90.84	90.78
20-year Notional Gilt				
£50,000 32nds of 100%				
Mar	107–06	107–08	106–07	106–24

COMMODITIES

(London)	Jan 9	Prev
Silver (spot fixing)	514.70p	525.95p
Copper (cash)	£1,163.50	£1,152.50
Coffee (Mar)	£2,315.50	£2,280.50
Oil (spot Arabian Light)	$28.15	$28.10

LONDON

Institutional funds fuel third peak

INSTITUTIONAL cash was abundant again in London stock markets yesterday enabling leading equities to continue higher.

The FT Ordinary share index consequently made further strides towards the 1,000 level, to close 11.9 higher at 983.1. This was a third consecutive record and represents a rise of over 54 points since last Friday.

Investors dismissed sterling's latest tumble to a new all-time low – the rate recovered later as the dollar lost firmness – and gained confidence from last month's money supply trends.

Government stocks cast off initial reservations over sterling, and closing gains extended to nearly a point among longer-dated stocks. Shorts rose ½ in places, and both areas of the market enjoyed an extension of the trend after hours.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37

SINGAPORE

SUSTAINED selling pressure left Singapore shares at their lowest level for two years, with the Straits Times industrial index shedding 12.23 to 770.45.

The slide began after market rumours – dismissed by one dealer as grossly exaggerated – of liquidity problems at various companies. As the market index dipped below the 780 point support level, further selling became evident in stop-loss operations.

Among actively traded issues, Promet shed 1 cent to S$1.65, Singapore Press 15 cents to S$5.70 and OCBC 20 cents to S$8.50.

HONG KONG

A ROUND of profit-taking among blue chips in the wake of recent gains left Hong Kong lower, with the Hang Seng index down 13.06 at 1,269.95.

Hongkong Land dipped 12 cents to HK$3.95, and Jardine Matheson, with which it is affiliated, shed 40 cents to HK$8.70 as HK Land denied market rumours that it had sold its Excelsior Hotel for more than HK$1bn but added that tender forms had been issued to prospective buyers.

SOUTH AFRICA

THE ALL-TIME low recorded by the rand against the dollar in early Johannesburg trading provided some support for gold stocks. Some benefit was also derived from the slight recovery in the bullion price from the day's lows.

Among the larger producers to post gains, Vaal Reefs and Kloof each added 75 cents to R187.25 and R76.25 respectively. Randfontein was unchanged at R190, but President Brand dipped 50 cents to R49.50, and President Steyn lost R1 to R54.50.

AUSTRALIA

FURTHER prime rate rises and the weaker international bullion price left shares lower in Sydney, and the All Ordinaries index dipped 2.7 to 715.6.

Diversified resource issues to decline included BHP, down 6 cents to A$4.88, Bell Resources, 5 cents to A$4.35, and CSR, 4 cents to A$2.71.

In the oil and gas sector, Vamgas shed 12 cents to A$3.10 and Santos 4 cents to A$5.26. Metals and golds saw Emperor 30 cents lower at A$1.95.

CANADA

SHARES moved ahead in heavy Toronto trading, taking their lead from the upturn on Wall Street.

Media and merchandising groups retreated slightly, but gold, financial and property issues staged strong advances.

Among active issues, Toronto Dominion Bank traded C$1⅜ higher at C$17¾, while Bell Canada was unchanged at C$34½.

Montreal was also ahead in heavy trading.

TOKYO

Arms accord provides momentum

THE potential effect on the U.S. economy of the Geneva agreement on resuming arms reduction talks with the Soviet Union gave added momentum to buying in Tokyo yesterday, sending the Nikkei-Dow index to another record high, *writes Shingeo Nishiwaki of Jiji Press.*

Increasingly, however, investors played a "money game," buying biotechnology-related stocks in the morning, selling them in the afternoon and purchasing medium and low-priced chemicals.

The Nikkei-Dow market average rose 83.78 to 11,763.57, for a second consecutive all-time high. Trading volume expanded to 591.94m shares from Tuesday's 433.54m, and gainers outpaced losers 419 to 327, with 150 issues unchanged.

Buying interest, stimulated by the yen's rally on Tuesday, was further encouraged by the agreement between U.S. Secretary of State Mr George Shultz and Soviet Foreign Minister Mr Andrei Gromyko in Geneva and the record highs registered on the London and Frankfurt exchanges.

Leading brokerage houses expect the accord to lead to a cut in U.S. military spending, a drop in U.S. interest rates and help the sustained growth of the American economy. None the less, trading was very speculative.

Biotechnology-related stocks, actively bought in the morning, came under profit-taking pressure. Toyojozo shot up Y130 early in the session but closed Y30 lower from Tuesday at Y1,610. Asahi Chemical remained on top of the most active list with 32.60m shares changing hands, gaining Y13 at one stage, but it finished at Y714, down Y24.

As biotechnology stocks lost popularity, chemicals started drawing buy orders. Nippon Oil and Fats advanced Y25 to Y625 on the day's third heaviest trading of 23.16m shares. Tokuyama Soda and Nissan Chemical gained Y14 to Y599 and Y19 to Y354, respectively, while Toyo Soda went up Y13 to Y366

Some blue chips attracted large-lot buy orders, with Nippon Columbia registering a daily limit gain of Y200 to Y1,370. Pioneer added Y40 to Y2,880, Fuji Photo Film jumped Y50 to Y1,670 and Canon soared Y60 to Y1,390. Hitachi closed Y19 higher at Y870, Fujitsu Y30 up at Y1,360 and Honda Motor Y30 higher at Y1,270.

Demand for these stocks was prompted by non-residents' buying, which totalled 30.5m shares, exceeding selling (24m shares) for the first time in many sessions.

The yen's drop yesterday kept investors to the sidelines on the bond market after Tuesday's upsurge. City and trust banks continued small-lot trading, but no active attitude was seen.

The yield on the barometer 7.3 per cent government bonds maturing in December 1993 edged up to 6.505 per cent from 6.500per cent.

EUROPE

Further round of records

THE BULLS continued to stampede on some of the larger European bourses yesterday as further records were set in West Germany, Switzerland, France and Italy.

Investors were spurred on by local incentives against a backdrop of a firmer Wall Street and the prospect of currency gains.

Frankfurt trading took the two major indices to new peaks for the third consecutive day. The Commerzbank index gained 3.9 to 1141.1, while the wider-based FAZ index moved 1.07 up to 391.66.

A surge of foreign buying swamped early profit-taking by professionals leaving most sectors higher although chemicals and banks registered some losses. Cars and stores led the rally.

BMW soared an early DM 18 but retreated to finish a net DM 8 ahead at DM 387, while Porsche held a DM 8.50 rise to DM 1,055.

Kaufhof's DM 5 rise to DM 224 led in retailers, while in the financial sector Deutsche took weaker banks down with a DM 2.40 decline to DM 401. Insurer Allianz continued to make steady progress with a further DM 8 advance to DM 1,063, a gain of DM 83 so far this week.

Bonds were firmer, with gains of up to 15 basis points, while a belief that interest rates will fall continued to underpin the market.

The Bundesbank sold DM 25.5m of paper, compared with Tuesday's DM 48.1m.

Early profit-takers succumbed to late heavy buying in **Zurich** as the previous session's rally was extended with new 12-month highs being recorded by most of the main stock indices. The Swiss Bank industrial index rose 0.2 to 403.5.

The sharp rebound by the dollar persuaded many investors to pick up what they viewed as bargains, thus bidding up insurers and medium-sized banks.

Swiss Re soared SwFr 100 to SwFr 8,850, while Bank Leu gained SwFr 20 to SwFr 3,820. Crédit Suisse put on SwFr 5 to SwFr 2,400 ahead of its cut in interest rates on customer time deposits by ¼ point to 4¼ per cent – a move also made by the other large banks.

Selective trading, tinged with profit-taking, took **Paris** to a record high as the CAC General index gained 1.6 to 187.7.

The progress was aided by a ½-point cut in base lending rates to 11½ per cent, thus confirming market hopes of further falls in domestic interest levels.

Among the leaders, Peugeot gained FFr 9.70 to FFr 259.50, and Michelin rose FFr 30 to FFr 808 despite layoffs at its UK subsidiary.

In foods BSN Gervais advanced FFr 45 to FFr 2,405. Stores saw Carrefour edge FFr 18 higher to FFr 1,838 and Au Printemps FFr 1.50 to FFr 190.50.

Hoogovens took the brunt of consolidation in an easier **Amsterdam** as the steelmaker slumped Fl 7.50 to Fl 63 after results.

The strength of the dollar did not appear to affect sentiment much as internationals, with a particular sensitivity to dollar-based earnings, held their ground or eased slightly.

Bonds surged on substantial turnover, and the ANP-CBS bond index hit a record high of 108.6, up 0.1.

The record run in **Milan** saw a 2 per cent rise in the bourse index to 238.21 and Fiat race ahead with a L95 gain to L2,180 on hopes of stronger 1984 earnings.

Brussels and **Madrid** edged lower in quiet trading.

Stockholm posted solid gains in heavy turnover.

Prices at 3pm, January 9

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅝	AAR	.48	2.7	14	86	18	17⅞	17⅞	
30½	9¼	AGS			10	76	13¼	13⅛	13½	+¼
17⅞	13⅛	AMF	.50	3.5	78	203	14¼	14	14⅛	−⅛
41¼	24¼	AMR			6	6868	37⅞	36¼	36⅞	+¾
20½	18¼	AMR	pf2.18	11		13	19½	19⅛	19¼	+⅛
41½	27½	AMR	pf2.13	5.7		x94	37½	36¾	37⅛	+½
25¼	22⅞	ANR	pf2.67	11		20	23⅞	23⅞	23⅞	+⅛
69½	44¼	ASA	3	6.3		964	48½	46¾	47⅞	+1⅛
30⅛	16	AVX	.32	1.9	10	112	17⅛	16⅞	17	
48¼	36¾	AbtLab	1.20	3.0	13	x1714	40⅛	40	40	
23⅛	16½	AccoWd	s.44	2.0	18	352	22¼	21¼	21¼	−⅛
27¼	12½	AcmeC	.40	2.7		230	14⅞	14¼	14¾	+¼
12⅛	8¼	AcmeE	.32b	3.5	13	19	9⅛	9¼	9¼	
18¾	15	AdaEx	2.11e	12		63	17	16⅞	17	+⅛
18⅞	11⅞	AdmMl	.32	2.0	8	28	16	15¼	15¾	−¼
21¼	8⅞	AdvSys	.81t	7.7	17	35	10¾	10⅛	10½	−⅛
41½	25⅛	AMD			13	7006	29	27⅞	28¼	+1⅞
14⅛	6⅞	Advest	.12	1.5		34	8	7¾	7⅞	
15¾	8¼	Aerflex			11	52	11¾	11⅛	11¾	+½
39	27¼	AetnLf	2.64	7.2	31	2770	36⅞	36¼	36⅞	+⅛
58¼	52⅛	AetL	pf5.87e	11		3	55	55	55	+¼
34½	15⅛	Ahmns	1.20	4.6	12	4504	26	24¾	26	+1¼
5⅛	2⅞	Aileen				41	2⅞	2¼	2⅞	−⅛
48⅛	36½	AirPrd	1.20	2.6	10	1342	46	45½	45⅞	+⅛
[illegible]										

Continued on Page 33

هكذا أصل الأصل

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, January 9

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7⅛	3⅞	ADI	n		19	49	5¼	5⅛	5⅛	
3¼	1⅞	ADI	wt			22	2¼	2¼	2¼	+ ⅛
15⅛	8⅝	ALLab	.20	2.1	9	41	9⅝	9⅝	9⅝	+ ¼
14¼	12	AMC	n .12	.9	11	15	14	14	14	
4⅞	2⅞	AM	Inr			1491	3⅞	3⅞	3⅞	
72½	58	ATTFd	n5.52e	7.7		z72	72¼	71⅞	72⅛	+ ¼
6½	2⅛	AcmePr			25	6	4⅜	4¼	4⅜	
15¼	6⅞	AcmeU	.32	3.3	11	11	9⅝	9⅝	9⅝	+ ⅛
16⅞	8⅝	Action			37	70	14⅝	14⅝	14⅝	− ⅛
8¼	3⅞	Acton				20	4¼	4¼	4¼	− ⅛
3⅞	5-16	Actn	wt			5	7-16	7-16	7-16	−1-16
3⅞	1½	AdmRs			3	28	1⅞	1⅞	1⅞	− ¼
25½	15⅞	AdRusl	.14	.5	20	189	25½	25	25½	+ ⅛
24¼	15	Adobe	.24	1.5	10	187	16⅞	15¼	15⅞	+ ⅛
8½	4⅞	Aeronc			7	123	6¼	6	6	− ⅛
24⅞	16½	AflHsp	.44	1.8	10	79	u25	23¼	24⅞	+4¼
50⅞	38½	AflPub	.80	1.7	14	13	47	47	47	− ¼
8¼	6	AirExp			10	15	7¼	7⅛	7¼	+ ⅛
14⅛	5⅞	Aircal				26	7⅞	7½	7½	− ⅛
5⅛	2⅞	Alamco			6	29	3	3	3	− ⅛
75⅛	71	Almito	n			170	69½	d65½	66	−5
14	6⅞	AlbaW			8	60	7½	7⅛	7½	+ ⅛
81	59½	AlgC	wt			7	68⅝	68⅝	68⅝	−2⅝
9¼	5⅞	Aloha			1	10	6⅛	6⅛	6⅛	− ⅛
22⅛	8½	Alphain	.05	.5	12	63	10	10	10	− ⅛
1⅞	½	Altex				829	11-16	1	1	−1-16
⅞	⅛	Altex	wt			2	3-16	3-16	3-16	
22	11	AlzaCp			63	300	20¼	19⅞	20⅛	+ ⅛
[illegible]										

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 32

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
X-Y-Z										
51	33¼	Xerox	3	8.0	11	2278	37⅞	37¼	37⅜	+ ⅛
50½	45¼	Xerox	pf5.45	11		34	49¼	49¼	49¼	
36⅞	19	XTRA		2.7	9	77	24	23⅞	24	+ ⅛
31¼	24	ZaleCp	1.32	5.3	8	27	25	24⅞	25	
24⅞	15⅛	Zapata	.84	5.2	13	x1368	16¼	16⅛	16⅛	+ ⅛
49	28¼	Zayre	.40b	.9	13	171	46¼	45	46¼	+ ⅛
38⅞	18⅞	ZenithE			6	1378	18⅞	d18⅛	18⅞	+ ⅛
26¼	18	Zero	.40	1.7	18	52	23⅞	23½	23⅞	+ ⅛
30½	21⅛	Zurnin	1.32	4.8	12	623	27¼	26½	27¼	+ ⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Jan. 9	Price Sch%	+ or —
Creditanstalt	227	+2
Goesse	336	+1
Interunfall	405	+5
Laenderbank	226	—1
Perlmooser	360	—2
Steyr-Daimler	164	.....
Veitscher Mag.	250	—5

BELGIUM/LUXEMBOURG

Jan. 9	Price Frs.	+ or —
B.B.L.	1,870	.....
Banq. Int. A. Lux	5,530	+30
Bekaert B.	4,500	—20
Ciment CBR	2,505	—10
Cockerill	258	.....
Delhaize	5,540	+10
EBES	2,865	—15
Electrobel	8,090	.....
Fabrique Nat	2,095	+10
GB Inno BM	3,095	+15
GBL (Brux)	2,070	+20
Gevaert	3,630	+20
Hoboken	6,140	—10
Intercom	2,085	+10
Kredietbank	7,620	.....
Pan Hldgs.	9,850	.....
Petrofina	6,940	—20
Royale Belge	10,150	—50
Soc. Gen. Banq	3,250	—50
Soc. Gen. Belge	1,820	—20
Sofina	7,530	—50
Solvay	4,120	.....
Stanwick Intl.	1,450	.....
Tractionel	4,000	.....
UCB	4,870	—45
Wagon Lits	2,340	—10

DENMARK

Jan. 9	Price Knr %	+ or —
Andelsbanken	257	.....
Baltic Skand	540	.....
CopHandelsbank	262	+2
D. Sukkerfab	460	.....
Danske Bank	262	.....
De Danske Luft	1,085	.....
East Asiatic	139	.....
Forenede Brygg.	780	.....
Forenede Damp.	97	+1
GNT Hldg	352	—1
I.S.S.B.	345	+5
Jyske Bank	480	+11
Novo Ind	1,345	+25
Privatbanken	225	—1
Provinsbanken	313	—1
Smidth (F.)	223	+2
Sophus Berend	680	.....
Superfos	402	—1

FRANCE

Jan. 9	Price Frs.	+ or —
Emprunt 4½% 1975	1,650	.....
Emprunt 7% 1973	8,115	—60
Accor	240	.....
Air Liquide	568	—1
BIC	536	+16
Bongrain	1,700	+10
Bouygues	720	—24
BSN Gervais	2,405	+45
CIT Alcatel	1,280	+10
Carrefour	1,838	+18
Club Mediter'n	1,095	+5
Cie Bancaire	685	—5
Cofimeg	242	+0.5
Damart	2,420	.....
Darty	1,099	—45
Dumez S.A.	719	—3
Eaux (Cie Gen)	555	—3
Elf Aquitane	230	+3
Essilor	2,905	+10
Gen. Occidentale	658	+8
Imetal	79.8	—0.2
Lafarge Coppee	379.7	+0.8
L'Oreal	2,380	+32
Legrand	1,940	+15
Maisons Phenix	215	—5
Matra S.A.	1,760	.....
Michelin B.	808	+30
Midi (Cie)	2,148	—9
Moet-Hennessy	1,920	+12
Moulinex	91	—0.8
Nord Est.	75.4	+0.1
Pernod Ricard	702	—16
Perrier	486.9	—5.1
Petroles Fra.	251.1	—0.9
Peugeot S.A.	259.5	+9.7
Printemp.Aus	190.5	+1.5
Radiotech	212.1	—8
Redote	1,225	+10
Roussel Uclaf	1,680	+15
Sefimeg	290	+5.5
Skis Rossignol	1,875	+5
Telemech Elect.	2,250	—15
Thomson CSF	439	+10.5
Valeo	250.5	—9.5

GERMANY

Jan. 9	Price Dm.	+ or —
AEG Telef	106.1	+3
Allianz Vers	1063	+8
BASF	184.5	—0.4
Bayer	194.6	—0.4
Bayer-Hypo	338	—2
Bayer-Verein	338.5	—0.5
BHF-Bank	285	+0.5
BMW	387	+8
Brown Boveri	200	—1
Commerzbank	116	—0.5
Cont'l. Gummi	117.7	+0.6
Daimler-Benz	613	+1.5
Degussa	344.9	+0.9
D'sche Babcock	164.5	+0.5
Deutsche Bank	401	—2.4
Dresdner Bank	196.5	—1.3
GHH	164.5	+0.5
Hochtief	485	—5
Hoechst	191.1	—1.4
Hoesch Werke	99.5	+1
Holzmann (P)	390	+1
Horten	178.5	.....
Hussel	312	+10
Karstadt	242	+3
Kaufhof	224	+5
KHD	257	—1.5
Kloeckner	74.3	+1
Linde	398	—0.5
Lufthansa	195	+2
MAN	159.4	—0.1
Mannesmann	157	+2.6
Mercedes Hld.	550	+11
Metallgesell	218	—0.9
Munech Rueck	1120	+40
Nixdorf	521.5	—1.5
Porsche	1055	+8.5
Preussag	255	.....
Rhein West Elect	169	+1
Rosenthal	249	—1
Schering	459.5	+0.5
Siemens	497	+5.8
Thyssen	84	+1.2
Varta	177	—1
Veba	176.5	+1.5
V.E.W.	124.5	—0.7
Verein-West.	302	+2
Volkswagen	211	—2.7

ITALY

Jan. 9	Price Lira	+ or —
Banca Com'le	17,900	+390
Bastogi-IRBS	190	+3.5
Centrale	2,370	+78
Credito Varesino	4,268	+148
Fiat	2,180	+95
Finsider	54.25	+4.5
Generali Assicur.	3,548	+48
Invest	2,925	.....
Italcementi	69,990	+990
La Rinascenti	539	+10
Montedison	1,375	+28
Olivetti	5,955	+46
Pirelli Co.	3,550	+50
Pirelli Spa	1,968	+43
Snia BPD	2,178	+46
Toro Assic.	13,200	...
do. Pref.	10,495	+495

NETHERLANDS

Jan. 9	Price Fls	+ or —
ACF Holding	191.5	—0.5
AEGON	155	+1.7
Ahold	200	—1.5
AKZO	102.2	—0.8
ABN	330	—1.5
AMEV	222	+0.5
AMRO	71.8	—0.7
Bredero Cert.	150	.....
Bos Kalis Westm.	13.2	+0.6
Buehrmann-Tet.	76.5	+0.5
Calland Hldgs.	33.3	—0.4
Dordtsche Pet'm	159	—2.1
Elsevier-NDU	118.7	+0.9
Fokker	91	—1
Gist Brocades	174	—0.4
Heineken	150.5	—0.1
Hoogovens	63	—7.5
Int Mueller	42.5	—0.3
KLM	47.5xc	+0.2
Naarden	48	—0.2
Nat Ned Cert	269.2	+1.7
Ned Mid Bank	155	+0.5
Nedlloyd	152.9	+1.9
Oce Grinten	288	+1
Ommeren (Van)	37.5	+0.2
Pakhoed	72	+1
Philips	56.4	.....
Robeco	69.6	—0.2
Rodamco	136.7	.....
Rolinco	63.3	+0.2
Rorento	43.5	+0.2
Royal Dutch	173.6	—0.4
Unilever	317.5	.....
VMF Stork	144.5	+0.5
VNU	214	+3.5
West Utr Bank	122.5	—1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Jan. 9	Price Kroner	+ or —
Bergens Bank	164.5	+2
Borregaard	375	+5
Christiania Bank	160.5	+0.5
DenNorske Cred	164	.....
Elkem	124	—4
Kvaerner	172.5	—2.5
Norsk Data	397.5	—3.5
Norsk Hydro	113.5	.....
Storebrand	215	—10

SPAIN

Jan. 9	Price Pts%	+ or —
Bco Bilbao	311	.....
Bco Central	310	—2
Bco Exterior	203	.....
Bco Hispano	170	—2
Bco Popular	381	+7
Bco Santander	333	.....
Dragados	168	+2
Hidrola	83	+0.3
Iberduero	85.7	—0.3
Petroleos	154	+2
Telefonica	99.7	+0.2

SWEDEN

Jan. 9	Price Kronor	+ or —
AGA	366	+1
Alfa-Laval	200	+4
ASEA (Free)	340	.....
Astra (Free)	350	+12
Atlas Copco	108	.....
Cardo (Free)	280	+10
Cellulosa	128	+1
Electrolux B	262	+3
Ericsson	266	—1
Esselte	310	+5
Mo Och Domsjo	295	.....
Pharmacia	215	+19
Saab Scania Free	430	.....
Sandvik	370	+10
Skandia	265	.....
Skan Enski'da	69	+2
SKF	181	+1
St Kopparbergs	166	—4
Sven Handlesbn	198	+1
Swedish Match	257	.....
Volvo B (Free)	238	+4

SWITZERLAND

Jan. 9	Price Frs.	+ or —
Alusuisse	741	+1
Bank Leu	3,830	+20
Brown Boveri	1,470	+20
Ciba Geigy	2,580	+10
do. (Part Certs)	2,100	.....
Credit Suisse	2,400	+5
Elektrowatt	2,715	+45
Fischer (Geo.)	633	—2
Hoff-RochePtCts	91,000	—500
Hoff-Roche 1/10	9,100	.....
Jacobs Suchard	6,425	—50
Jelmoli	1,940	—10
Landis & Gyr	1,645	+45
Nestle	5,955	+5
Oer-Buehrle	1,310	—25
Pirelli	269	+2
Sandoz (Br)	7,500	+10
Sandoz (PtCts)	1,190	+10
Schindler (PtCts)	645	+5
Sika	1,130	+20
Surveillance	4,015	+30
Swissair	1,098	—2
Swiss Bank	366	+1
Swiss Reinsce	8,850	+100
Swiss Volksbk	1,495	.....
Union Bank	3,660	+30
Winterthur	3,640	+90
Zurich Ins	19,025	+25

AUSTRALIA

Jan. 9	Price Aust $.	+ or —
ANZ Group	5.04	+0.02
Alliance Oil Dev.	1.05	.....
Ampol Pet.	1.75	.....
Ashton	0.78	—0.02
Aust Cons Ind.	1.92	—0.01
Aust. Guarantee	2.65	.....
Aust. Nat. Inds	2.4	.....
Aust. Paper	2.29	+0.01
Bell Group	4.8	—0.05
Bell Res.	4.35	—0.05
Bond Corp Hldgs	1.18	.....
Boral	3.48	.....
Bougainville	1.54	—0.05
Brambles Inds.	3.48	—0.01
Bridge Oil	2.3	.....
B.H. Prop.	4.88	—0.08
CRA	4.78	—0.02
CSR	2.71	—0.04
Carlton Utd	4.30	.....
Castlemaine Tys.	4.3	.....
Coles (G.J.)	3.95	+0.07
Comalco "A"	2.02	.....
Consolidated Pet	0.49	—0.01
Costain Aust	1.3	+0.05
Dunlop Aust.	1.65	—0.03
Elders IXL	3.05xc	—0.02
Energ Res.	1.42	+0.01

AUSTRALIA (continued)

Jan. 9	Price Aust. $.	+ or —
Gen Prop Trust	2.10	.....
Hardie (James)	2.97	—0.01
Hartogen Energy	2.25	.....
Herald W'yTimes	3.45	—0.05
ICI Aust.	2.03	+0.05
Jimberlana F.P.	0.3	.....
Kia Ora Gold	0.11	—0.01
Lend Lease	5.1	—0.1
MIM	2.3	.....
Mayne Nickless	2.82	—0.03
Myer Emporium	1.68	.....
Nat. Aust. Bank	3.51	—0.01
News	10.5	—0.2
Nicholas Kiwi	2.18	.....
North Bkn Hill	1.92	—0.02
Oakbridge	0.67	.....
Pancont'l	0.9	—0.06
Pioneer Conc.	1.64	+0.05
Poseidon	2.6	—0.05
Queensland Coal	1.07	—0.01
Reckitt & Coln.	3.07	—0.01
Repco	1.09	—0.02
Santos	5.26	—0.04
Smith (Howard)	3.37	.....
Thos. Natwide	1.73	.....
Tooth	5.8	.....
Vamgas	3.1	—0.12
Western Mining	2.62	—0.01
Westpac Bank	3.41xc	—0.02
Woodside Petrol.	0.93	—0.02
Woolworths	2.55	—0.01
Wormald Intl	3.19	+0.02

HONG KONG

Jan. 9	Price H.K.$	+ or —
Bank East Asia	25	.....
Cheung Kong	11.3	—0.1
China Light	14	.....
Evergo	1.5	.....
Hang Seng Bank	45.5	—0.25
HK Electric	6.9	—0.05
HK Kowloon Wh.	5.15	—0.05
HK Land	3.95	—0.12
HK Shanghai Bk.	8.7	—0.05
HK Telephone	57.5	.....
Hutchison Wpa.	18.6	—0.4
Jardine Math.	8.7	—0.4
New World Dev.	5.15	+0.05
Orient O'seas	2.75	.....
Oseas Trust Bk.	2.87	—0.05
SHK Props.	6.1	+0.1
Shell Elect.	1.98	—0.04
Swire Pac A.	22.2	—0.1
TV—B	5.65	+0.2
Wheel'k Mard A.	4.07	—0.05
Wheel'k M'time	1.13	.....
World Int. Hldgs.	1.78	+0.02

JAPAN

Jan. 9	Price Yen	+ or —
Ajinomoto	1,090	.....
Alps Electric	1,980	+30
Amada	1,150	+60
Asahi Chem.	714	—24
Asahi Glass	900	—20
Bridgestone	528	+8
Canon	1,390	+60
Casio Comp.	1,830	—50
Chugai Pharm.	1,050	—80
Citizen	562	—8
Daiei	626	—5
Dai Nippon Ptg	980	.....
Daiwa House	576	+4
Ebara	334	—7
Eisai	1,470	+30
Fanuc	11,000	+110
Fuji Bank	1,360	+30
Fuji Film	1,670	+50
Fujisawa	1,120	+10
Fujitsu	1,370	+30
Green Cross	1,640	+30
Hasegawa	368	.....
Heiwa Real Est.	605	+28
Hitachi	870	+19
Hitachi Credit	1,180	+30
Honda	1,270	+50
House Food	700	+10
Hoya	2,110	+30
Itoh (C)	380	+25
Ito. Yokado	2,570	+10
Iwatsu	1,370	.....
JACCS	336	.....
JAL	6,390	+10
Jusco	745	+5
Kajima	285	—1
Kao Soap	807	+1
Kashiyama	620	—5
Kirin	547	+2
Kokuyo	935	—2
Komatsu	466	+1
Konishiroku	635	+24
Kubota	322	—2
Kumagai	512	—12
Kyoto Ceramic	6,750	—40
Maeda Const.	472	—6
Muakino Milling	1,170	+20
Myakita	1,000	—50
Marubeni	336	+9
Marudai	560	—4
Marui	1,040	.....
MEI	1,580	.....
M'ta Elec Works	626	+1
M'bishi Bank	1,400	+30
M'bishi Corp	574	+21
M'bishi Elec.	406	—1
M'bishi Estate	695	+7

JAPAN (continued)

Jan. 9	Price Yen	+ or —
MHI	257	—3
Mitsui Co	562	+12
Mitsui Estate	701	+1
Mitsukoshi	373	—1
NGK Insulators	561	—6
Nihon Cement	217	.....
Nippon Denso	1,340	—30
Nippon Elect.	1,230	—20
Nippon Express	350	—5
Nippon Gakki	1,400	—20
Nippon Kokan	139	—1
Nippon Oil	885	—6
Nippon Seiko	635	—5
Nippon Shimpan	637	—1
Nippon Steel	152	.....
Nippon Suisan	332	—5
NTV	13,400	—200
Nippon Yusen	255	—4
Nissan Motor	610	.....
Nisshin Flour	484	—9
Nisshin Steel	176	—3
Nomura	952	—8
Olympus	1,150	+50
Orient Leasing	3,320	—10
Pioneer	2,880	+40
Renown	645	—5
Ricoh	958	+18
Sankyo	975	—45
Sanyo Elect.	462	—7
Sapporo	416	+3
Sekisui Prefab	868	—2
Seven-Eleven	8,970	—30
Sharp	1,090	+30
Shimadzu	828	.....
Shionogi	715	—29
Shiseido	1,140	—20
Sony	3,780	+110
Stanley	835	—15
S'tomo Bank	1,760	—50
S'tomo Elect.	936	—5
S'tomo Marine	630	—15
S'tomo Metal	151	.....
Taihei Dengyo	500	.....
Taisei Corp.	209	+4
Taisho Pharm.	1,050	+24
Takeda	798	.....
TDK	4,980	+50
Teijin	440	+2
Teikoku	649	—1
Tokyo Marine	765	—17
TBS	841	—8
Tokyo Elect Pwr	1,650	—40
Tokyo Gas	170	+1
Tokyo Sanyo	735	+16
Tokyo Style	750	—9
Tokyu Corp.	312	—6
Toppan Print	880	+8
Toray	441	—1
Toshiba Elect.	420	+4
TOTO	709	—11
Toyo Seikan	818	+10
Toyota Motor	1,280	+30
Victor	1,900	.....
Wacoal	710	—5
Yamaha	680	—7
Yamanouchi	2,700	—130
Yamazaki	700	+19
Yasuda Fire	339	—6
Yokogawa Bdge.	469	.....

SINGAPORE

Jan. 9	Price $	+ or —
Boustead Hldgs.	1.53	—0.08
Cold Storage	2.53	—0.03
DBS	4.98xa	—0.17
Genting	4.7	—0.04
Haw Par. Bros.	1.93	—0.04
Hong Leong Fin.	3.00	—0.02
Inchcape Bhd.	2.35	.....
Keppel Shipyard	1.45	—0.01
Malay Banking	6.3	—0.1
Malay Utd. Ind.	2.29	—0.07
Multi Purpose	0.91	—0.01
OCBC	8.5	—0.2
OUB	3.62	—0.12
Public Bank	1.63	—0.05
Sime Darby	1.63	—0.03
Singapore Press.	5.7	—0.15
Straits Trdg.	4.34	—0.06
Tat Lee Bk.	2.85	—0.05
UOB	4.12	—0.12

SOUTH AFRICA

Jan. 9	Price Rand	+ or —
Abercom	1.2	—0.05
AE&CI	7.6	.....
Anglo Am Coal	40	.....
Anglo Am Corp	23.4	.....
Anglo Am Gold	169	+3
Barclays Bank	15.5	—0.25
Barlow Rand	10.25	—0.25
Buffels	68.25	—0.25
CNA Gallo	2.5	.....
Currie Finance	4.25	—0.05
De Beers	8.4	+0.1
Driefontein	50.75	+0.5
FS Geduld	46	.....
Gold Fields SA	26	+0.5
Highveld Steel	3.75	—0.05
Nedbank	11.1	—0.1
OK Bazaars	14.5	.....
Protea Hldgs.	1.4	—0.05
Rembrandt	29	.....
Rennies	14.25	.....
Rust Plat	15.4	+0.15
Sage Hldgs	7.5	.....
SA Brews	6.55	—0.05
Smith (CG)	21.5	.....
Tongaat Hulett	6.8	—0.1
Unisec	5	.....

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Ex. 11 89	£99¹¹⁄₁₆	+£ ½
Tr. 13¾ 00/03	£120¼	+£ ⅞
Allianz Versich	£282	+68¾
BOC	277	+16
Beazer (CH)	386	+12
Brit Telecom	115	+ 4
Brown (Matth)	298	+10
Cable & Wire	507	+22
Carlco Engin	184	+ 8
Courtaulds	148	+ 8
DRG	151	+10
Foseco Minsep	196	+ 9
Hambros	165	+13
Horne (Robert)	156	+24
ICI	750	+12
Kleinwort B	410	+30
Meggitt	79	+11
Pearl Assurance	£10⅞	+£ ½
Pearson	600	+15
Racal Elects.	288	+14
Scapa	470	+20
Tate & Lyle	465	+10
Thorn EMI	475	+16
Unigate	151	+ 7

FALLS

Assoc Dairies	148	— 8
Bespak	280	—50
Lucas Inds.	253	— 9
Oliver Prosp	105	—20
Utd Scientific	248	—15

Continued on Page 42

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 33

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]										

CANADA

TORONTO
Prices at 2.30pm January 8

Sales	Stock	High	Low	Close	Chng
[illegible]					

MONTREAL
Closing prices January 8

Sales	Stock	High	Low	Close	Chng
[illegible]					

LONDON STOCK EXCHANGE

MARKET REPORT

Relentless upsurge in equity leaders continues and index nears 1000 level

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4
Jan 28	Feb 7	Feb 8	Feb 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

Institutional cash was abundant again in London stock markets yesterday and for the fourth consecutive session leading equities stormed higher. The FT Ordinary share index consequently made further strides towards the magical 1,000 level *to close 11.9 higher at 983.1; this* represents a rise of over 54 points since last Friday.

Investors dismissed sterling's latest tumble to a new all-time low — the rate recovered later *as the dollar lost firmness* — and gained confidence from last month's money supply trends. *Increasing loan demand* remained a worry, but the effects were annulled by the removal of the *immediate threat to* clearing bank base rates. Easiness in the key three-month interbank rate, down *to 10 per cent,* was a relief.

Throughout the morning trade, *blue chip industrials were hard* pressed to hold initial gains and seemed merely content to consolidate *recent sharp advances.* From midday onwards, however, fresh institutional funds began looking *for a home and leading* issues moved swiftly upwards with stock shortages accentuating *the rise.* U.S. Prime rate and broker loan rate cuts, subsequently generated further *optimism and once* again the after-hours' tone was the day's strongest.

Soon after the official opening dealings in **P & O** and **Sterling Guarantee Trust** were suspended *at the* respective prices of 325p and 74p pending details of the long-awaited merger. This may *be effected via a bid* for SGT from P & O.

Government stocks cast off *initial reservations over sterling,* which lowered selected longer maturities ¼, and participated in the general upsurge. The current high level of institutional liquidity made for increased activity and brought closing gains extending to nearly a point among longer-dated stocks. The shorts rose ¼ in places and both areas of the market enjoyed an extension of the trend in the after-hours' trade. This was in the absence of any new Government funding, the possibility of which had been rumoured earlier.

Insurances good again

Further support of Life Insurances largely reflected takeover hopes. Stock shortages *again accentuated many gains,* which finally ranged into double figures. **Pearl**, additionally aided *by an investment recommendation,* featured with a rise of ¼ to £10¼, while **Britannic** advanced 23 to 643p and **London and Manchester** 17 more to 722p. Lloyds Brokers were not far behind in popularity as the sector's substantial overseas earnings potential attracted fresh buyers. **C. E. Heath** gained 13 to 596p and **Sedgwick** 11 to 356p, while **Stewart Wrightson** improved 10 to 535p and **Minet** 9 to 250p. Elsewhere, Munich-based **Allianz** jumped 8½ points to £292 following the board's recent declaration that it is considering a move into the banking business.

Merchant banks revived strongly. Takeover speculation provided the main impetus and buyers often found stock in short supply. **Kleinwort Benson** *jumped 30 to 410p and* **Mercury Securities** gained 20 to 480p. **Hambros** improved 13 to 165p and **Charterhouse J. Rothschild** added 5 at 113p. A continuing squeeze on bear positions left the major clearing *banks showing* fresh gains extending to 11, as in **Barclays**, at 583p, and **Nat-West**, at 613p. **Lloyds** *moved* up 8 to 550p.

Dealers reported good institu*tional demand for leading* Breweries. **Bass** spurted 13 more to 511p and **Scottish and Newcastle** *rose 6 to 141p.* **Greenall Whitley** led regionals higher with a gain of 8 to 172p. **Vaux** *advanced 7 to 272p, while* **Matthew Brown** attracted renewed speculative demand and improved *10 to 298p.* **Higsons** closed 7 up at 93p.

In the Building sector, **RMC** *settled 2 dearer at 388p,* after 390p, following Tuesday's vendor placing of 5.9m shares to finance its latest West German acquisition. Among Contracting and Construction issues, **Costain** gained *6 more to 374p,* while **George Wimpey** put on 5 to 122p on vague takeover rumours. Buying in thin markets lifted **Countryside** 6 to 218p and **Gleeson** 7 to 232p. Dealings in Newcastle-based housebuilders **William Leech** resumed at 163p, with a close of 171p, compared with the suspension price of 134p, following the agreed bid from **C. H. Beazer**, 12 higher at 386p.

ICI attracted sizeable domestic buying and rose 12 to a 1984-85 peak of 750p. Other Chemicals continued to meet selective support with **Coalite** 4 higher at 235p. **Wolstenholme Rink**, in which G. M. Firth recently increased its stake, moved up 14 to 200p *in a restricted market.*

Burton good late

Leading Retailers responded to steady demand and displayed *good gains across the board.* **Burton** were particularly strong at 431p, up 10, following a flurry *of support after-hours.* **Marks and Spencer**, 126p, **Debenhams**, 218p, and **Habitat Mothercare**, 394p, *all added around 6.* Secondary Stores traded in a more subdued fashion, although a number of noteworthy features emerged. **Harris Queensway**, 234p, **Home Charm**, 275p, and **MFI**, 272p, all closed 6 higher; the last-mentioned is due to reveal interim results next *Thursday.* Mail-orders went better with **Freemans** another 6 to the good at 192p, while similar rises were seen in **Empire**, 102p, and **Grattan**, 170p. **Time Products** hardened a penny *to 281p following acquisition* news, while the increased first-half profits lifted **Hollas** a penny *to 27p.* **Vantona Viyella** attracted fresh support and responded with a gain of 13 at 282p, but profit-taking *clipped 5 from* **J. Hepworth**, 178p.

Leading Electricals contributed to the buoyant trend. Awaiting their respective interim statements *today,* **Thorn EMI** advanced 18 to 475p and **British Telecom** put on 4 afresh to 115p. **Racal** *rose 14 further to 286p,* on buying ahead of the first-half results scheduled for January *23, while* **Cable and Wireless** jumped 22 more to 507p in response to a broker's recommendation. *Consideration of the* group's overseas earnings potential lifted **GEC** 6 to 220p, while *improvements of 4 and 7 respectively* were seen in **Plessey**, 210p, and **BICC**, 257p. Elsewhere, **Bowthorpe** jumped 23 to 433p, while **Brown Boverie Kent** revived with an improvement of 6 at 87p. In complete contrast, **United Scientific** dropped to 235p before closing a net 15 down on the day at 248p on reports that a broker had poured cold water over recent suggestions of a take*over bid for the group.*

Secondary issues made the running in the Engineering *sector as selective demand* prompted a smattering of good gains. Renewed buying lifted **Meggitt** *11 more to 79p, while* **Carclo**, still benefiting from the interim results, advanced 8 further to 184p. **IMI** improved 2 to 106p and **Pegler Hattersley** 6 to 276p. Still on bid hopes, **Howard Machinery** improved 2½ to 14p; F. H. Tompkins has a stake in the company. **Delta** responded to a newsletter recommendation with a rise of 4 to a 1984-85 peak of 114p, while **Rotork**, 122p, and **ML Holdings**, 352p, gained 7 apiece.

The Food sector displayed numerous features. Further demand in a market short of *stock lifted* **Tate and Lyle** *10* to 465p, but interim profits some 465p, but interim profits some *£2m below market estimates left* **Associated Dairies** 8 down at 148p, after 146p. Recently-overlooked **Unigate** rose 7 to 151p, while **United Biscuits** put on 8 to 209p as U.S. bid rumours revived. **Albert Fisher** attracted fresh support on talk of further acquisitions and the close was 7 higher at 109p. **Pyke Holdings** gained 12 to 304p on takeover hopes, but profit-taking clipped 6 from **Hillards**, at 356p.

The Hotel sector featured **Ladbroke** which rose 11 to 272p following news that the group's property subsidiary had let its Strand development. **Grand Metropolitan** continued to attract buyers and firmed 3 to 315p, while **Trusthouse Forte**, annual results expected next Wednesday, hardened 2 more to 160p.

BOC feature again

Demand for the miscellaneous industrial leaders was selective but **BOC** featured a fresh gain of 16 to 277p on renewed U.S. support coupled with domestic buying prompted by a broker's recommendation. **BTR** continued to edge higher and closed 11 to the good at 633p, while interest revived in **Trafalgar House**, up 15 at 355p. **Reed International** improved 6 further to 558p. In contrast, **Glaxo** eased ⅛ to £11⅛, while **Hanson Trust**, suggested as a *possible bidder for* Courtaulds, ran back to 334p before settling 4 cheaper on balance at *337p.* **Powell Duffryn** *held at* 438p following the profits and dividend forecast contained in *its circular rejecting the Hanson* Trust bid. Secondary issues presented numerous bright spots. **Hoskins and Horton** advanced 13 to 311p on the revised agreed offer from London and Midland Industrials, while **Scapa**, still responding to recent Press mention, rose 20 more to 470p. **Foseco**, also the subject of a newspaper recommendation recently, put on 9 to 198p. Continued demand ahead of Friday's interim statement left **Peter Black** up 9 more at 222p, while bid suggestions prompted a rise of 8 to 293 in **Extel**. **Pearson** gained 15 to a 1984-85 peak of 600p. **F. H. Tomkins**, a good market since the interim figures, improved 9 more to 162p, but **Bespak** dipped 50 to 280p on the second-half profits warning which accompanied the interim figures.

Golds easier

Casino issues continued to attract buyers. **Aspinall Holdings** firmed 2 more to 112p, while late *support lifted* **Pleasurama** *10* to 398p and **Stakis** 7 to 170p. Elsewhere in the Leisure sector, **Pineapple Dance Studios** shed 7 to 73p on worries about its U.S. operations.

Firmer initially at 264p, **Lucas Industries** subsequently fell to 253p for a net loss of 9 following a downgraded profits forecast from brokers Laing and Cruickshank. Other Motor Components, however, made fresh progress with **AE** 4 to the good at 127p. **Automotive Products**, aided by "call" option business, rose 5 to 70p, while newsletter comment lifted **Armstrong Equipment** a couple of pence to 36½p.

Publishing issues participated in the widespread upturn. **Octopus** spurted 23 to 870p, while **William Collins** closed 15 better at 700p. Elsewhere, **DRG** attracted revived speculative demand and rose 10 to 161p. **British Printing and Communication** advanced a similar amount to 179p. Double-figure rises were also seen in **David S. Smith**, 130p, **Chapman Industries**, 263p, and **Fitch**, 380p. Paper merchants **Robert Horne** attracted a lively business in the wake of the encouraging preliminary figures and improved 24 to 156p with the non-voting shares 21 bettter at 143p.

Properties went higher initially, but drifted back in the absence of any follow-through support to close virtually unchanged. **Peachey**, however, retained a gain of 4 at 238p, **Mountleigh** continued to reflect the good interim results and rose 15 more to 300p, while **London and Edinburgh** gained 10 to 198p in a restricted market following Press comment.

In the wake of an increased turnover in the U.S. on Tuesday, **Courtaulds** advanced strongly to close a further 8 higher for a gain on the week so far of 23 to 148p; the rise was accompanied by vague suggestions that **Hanson Trust** could be building up a stake prior to launching a full-scale bid. Elsewhere in Textiles, **Coats Patons** added 6 at 165p as did **Dawson International**, at 268p.

Profit-taking and a decline in crude spot prices left the oil majors with modest losses on balance.

Shell eased to 648p before settling a net 3 off at 650p, while **BP** rallied from an initial 486p to close unaltered at 493p. **LASMO** were 7 off at 333p, and **Enterprise Oil** lost 4 at 188p. **Britoil** fell to 196p at the outset but news of a substantial U.S. oil field acquisition—in partnership with America's Amax—initiated a recovery to 202p, for a net of 2 only. *Falls* of around 5 were common to **Tricentrol** and **Ultramar** at 195p and 205p *respectively.*

Saxon Oil, 360p, gave up 15 of Tuesday's gain of 35 which followed news of the gas discovery in Block 48/11B in the North Sea.

The weakness of sterling directed fresh attention to Overseas Traders. **Inchcape** were a major beneficiary, rising 11 for a two-day advance of 24 to 417p, while **James Finlay** *rose 6* to 133p in belated response to recent comment on its tea interests. Other Tea *plantations* made progress under the lead of **Williamson**, 50 up at 555p. **Camellia** hardened *a couple of* points to £22½, while **Plantation and General** closed 10 to the good *at 340p.*

South African sectors of mining markets failed to consolidate Tuesday's gains. *Bullion* performed badly in New York on Tuesday evening, dipping below the $300 level, and fell away to around $298 at the morning fixing in London. Thereafter, it staged a modest rally and recrossed the $300 level to close a net $1 easier at $301.25 reflecting an easier trend in the dollar after U.S. interest rates cuts.

Gold shares moved in similar vein and by the close of business had managed to regain part of their initial losses. The Gold Mines *index* settled only 3.9 off at 451.3. Once again the volume of business in Golds was minimal, with dealers hoping for an improvement in turnover next week when the gold mines announce their quarterly results.

Among heavyweight Golds **Winkelhaak** were vulnerable and fell to close a further ½ cheaper at a 1984-85 low of £21.

Financials were largely neglected, although **De Beers** were an exception and attracted a sizeable two-way business prior to closing unaltered at 345p in front of the disappointing world diamond sales figure for the second half of 1984.

Australians extended Tuesday's rally with firmer base-metal prices boosting many leading diversified issues.

FINANCIAL TIMES STOCK INDICES

	Jan. 9	Jan. 8	Jan. 7	Jan. 4	Jan. 3	Jan. 2	year ago
Government Secs.	81.83	81.49	80.82	81.13	81.00	81.21	82.98
Fixed Interest	85.32	85.22	85.07	85.04	84.96	85.27	87.07
Ordinary	983.1	971.2	955.7	941.0	926.7	940.4	790.0
Gold Mines	451.3	455.2	445.3	459.0	451.3	473.3	546.6
Ord. Div. Yield	4.41	4.45	4.52	4.58	4.63	4.57	4.49
Earnings, Yld.% (full)	11.21	11.33	11.51	11.65	11.77	11.63	9.19
P/E Ratio (net) (*)	10.71	10.60	10.44	10.31	10.20	10.32	13.27
Total bargains (Est.)	28,155	25,657	24,269	21,515	25,078	19,243	24,030
Equity turnover £m.	—	500.45	356.25	287.18	342.70	232.38	330.70
Equity bargains	—	25,750	26,720	20,820	22,282	18,909	25,019
Shares traded (ml)	—	263.4	192.0	165.2	196.4	126.4	207.7

10 am 975.9. 11 am 974.7. Noon 974.0. 1 pm 978.8. 2 pm 978.8. 3 pm 979.7.

Basis 100 Govt. Secs. 15/1/28. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.36.

HIGHS AND LOWS — S.E. ACTIVITY

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low		Jan. 8	Jan. 7
Govt. Secs.	83.77 (9/1/84)	75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	165.0	131.4
					Equities Bargains	166.8	153.7
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)	Value	1011.5	720.1
					5-day Average: Gilt Edged Bargains	131.7	114.8
Ordinary	983.1 (9/1/85)	755.3 (23/7/84)	983.1 (9/1/85)	49.4 (26/6/40)	Equities Bargains	144.5	134.8
Gold Mines	711.7 (9/3/84)	445.3 (7/1/85)	734.7 (15/2/83)	43.5 (26/10/71)	Value	694.9	591.9

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 7	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 25	May 7
Feb 4	Feb 15	May 9	May 20

For rate indications see end of Share Information Service

Call options were taken out in **Peek Holdings, Riley Leisure, Ramar Textiles, Automotive Products,** *Tuskar,* **Atlantic Resources, Bula, Bristol Oil and Minerals, Nottingham Manufacturing, Carless Capel and Leonard, British Telecom, Midland Bank, Hanson Trust, Aran Energy, Microvitec, Premier Oil, Blue Aarrow, Polly Peck, Barker and Dobson, North Kalgurli, Henara and Owners Aboard.** A put was done in **Midland Bank**, while doubles were transacted in **British Telecom** and **Davy Corporation**.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Tues. close	Day's change
British Telecom	19	111	+ 3
Marley	15	103	+ 6
BAT Inds	14	360	+10
BOC	14	261	+12
Cable and Wire	14	485	+17
Glaxo	14	£11½	+ ½
ICI	14	738	+ 8
P & O Defd	14	322	+ 9
Polly Peck	14	233	− 5
Burmah Oil	13	230	+ 7
Euro Ferries	13	140	+ 6
Pilkington Bros†	13	45pm	− 3
Tricentrol	13	198	+15
BTR	12	622	+ 3

† Nil paid

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Jan 9 1985 — Tues Jan 8 — Mon Jan 7 — Fri Jan 4 — Thurs Jan 3 — Year ago (approx.)

[illegible]

FIXED INTEREST

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

[illegible]

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (241)

NEW LOWS (19)

[illegible]

RISES AND FALLS YESTERDAY

[illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

[illegible]

LONDON TRADED OPTIONS

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
105¾	100½	Treas. 15pc 1985	100¼	−⅛	14.93	10.04
102¼	100	Exch. 12pc Cnv. '85	100½		11.95	9.70
97¼	93⅜	Treas 3pc 1985	97½	−⅛	3.07	9.66
102¾	99½	Treas 11½pc 1985	100½xd	+⅛	11.41	9.94
99¼	96⅜	Treas 8¼pcCnv '85	99⅛	+⅛	8.84	10.21
104⅛	99¾	Exch. 12¼pc 1985	101½		12.07	10.33
103½	99⅛	Exch. 11¼pc '86	101⅜	+⅛	11.60	10.44
102⅜	96⅞	Treas. 10pcCnv 1986	99½		10.05	10.39
93¾	88¼	Treas 3pc 1986	93⅝	+⅛	3.20	8.06
102	96¼	Exch. 10½pc Cv '86	99⅞	+⅛	10.51	10.54
104⅛	99⅛	Treas 12pc 1986	101⅞	+⅛	11.79	10.53
98¼	93⅜	Treas 8¾pc 1984-86‡‡	97⅜xd	+⅛	8.73	10.51
108½	102⅛	Exch. 14pc 1986	105⅜	+⅛	13.29	10.67
89⅞	85	Exch. 2½pc 1986	89⅛	+⅛	2.80	8.80
107½	100½	Exch. 13¼pc 1987	104⅛xd	+⅛	12.67	10.71
100⅞	94½	Treas 10¼pcCv '87	99½xd	+¼	10.30	10.55
87¼	83¼	Exch 2½pc 1987	86⅝	−⅛	2.89	9.59
101⅛	94½	Exch. 10½pc 1987	99⅛	+⅛	10.55	10.70
92¼	87	Funding 6½pc '85-87‡‡	91½	+⅛	7.08	10.60
99⅞	92⅞	Treas. 10pc 1987	98½	+⅛	10.15	10.71
86⅝	81⅛	Treas 3pc 1987	85¼xd	+⅛	3.50	9.53
105	97¼	Treas. 12pc 1987	102½	+⅛	11.69	10.84

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

1984-85 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
38⅞	26⅞	Abbott Labs.II	35	.....	$1.20	—	2.9
24⅝	11⅝	Ahmanson (H.F.)	21¼		$1.20	—	4.8
34¼	22¼	Alcoa $1	32	+1¼	$1.20	—	3.2
39¼	21⅝	Allied Corp $1	29⅞	....	$1.80	—	5.1
18¼	13¼	Amax $1	15⅞xd	.....	20c	—	1.2
12¼	731p	Amdahl 5c	11⅞	+⅛	20c	—	—
47¼	29⅝	Amer. Cyanamid	43¼	+⅞	$1.90	—	3.7
33	10⅝	Amer. Express $0.60	31⅝xd	.....	$1.28	—	3.4
20¼	14½	Amer Medical Int $1	16¼xd	..	60c	—	3.1
34½	20⅜	Amer. Nat. Res. $1	32¼	−¼	b$1.41	—	3.7
17⅞	10⅛	American T & T. $1	17⅞	+⅛	$1.20	—	5.9
67⅞	43⅞	Ameritech $1	65	.....	$6.00	—	7.9
21½	15½	Amfac‡	16⅝	+¼	$1.44	—	7.6
30½	16½	AridTech‡	29¼p	...	—	—	—
16⅞	10⅞	Bankamerica $1⅝	15⅞	+⅛	$1.52	—	8.1
49⅞	27½	Bankers N.Y. $10	47⅛xd	...	$2.70	—	4.9
10⅛	865p	BASIX Corp.	898p	+13	12c	—	1.1
70⅞	46¼	Bell Atlantic $1	69	+¼	$6.40	—	7.9
30¼	19¼	Bellsouth $1	29½xd	...	$2.60	—	7.5
20⅞	12	Beth Steel $8	15¼	+⅛	60c	—	3.3
20¼	11⅞	Bowater Inc.	18⅞	+1	72c	—	3.2
32½	19⅝	Brown'g-Fer. 16⅔c	32¼	−⅛	$1.08	—	2.9
29⅞	16⅝	Brunswick Corpn.II	29⅞	...	80c	—	2.3
875p	405p	Business Computer	440p	...	—	—	—
35⅛	24¼	CPC Intnl 25c	34¼xd	+½	$2.20	—	5.5
21	14½	CSX Corp U.S.$1.00	20	+⅛	$1.04	—	4.4
14¼	10⅛	CalFed Inc $1.00	13⅝	.....	32c	—	2.0
61½	39¼	Campbell Soup 60c	59⅝	+⅛	$2.50	—	3.6
36½	24¼	Caterpillar Tractor‡	26¼	−⅛	50c	—	1.6
12⅞	643p	Cenergy Corp. 25c	712p	+13	1c	—	0.1
41⅞	27¼	Chase M'htn $12.5	41xd	+⅛	$3.65	—	7.6
30¼	17⅞	Chemical New York	29⅞xd	+⅛	$2.36	—	6.8
31¼	22⅞	Chesebrough-Pond's $1	29⅞xd	+¼	$1.92	—	5.6
28	15½	Chrysler $6¼	26¼	+⅛	$1.00	—	3.2
34	19⅞	Citicorp $4	32½xd	−⅛	$2.06	—	5.4
34⅞	21⅞	City Inv. $1.25	34⅝	+¼	$2.00	—	5.0
22½	14⅝	Colgate-P. $1	21⅛xd	−¼	$1.28	—	5.2
45⅞	35⅛	Colt Inds. $1	44¼xd	+⅛	$2.50	—	4.8
29	17	Com. Foods $1½	28½xd	+¼	$1.30	—	3.9

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
44	43	Magnolia Group	48	+2	2.5	3.2	7.4	4.7
64	28	Mallinson Hldgs 10p	30	.....	—	—	—	—
270	157	Man. Ship Can. £1	255	+7	5.5	3.5	3.1	13.1
103	65	Marley	103	—	13.2	2.5	4.4	11.6
61	40	Marling Ind. 10p	52½xd	.....	†3.0	5.6	3.5	6.2
46	29	Marshall L'ay. 'A'	38	+1	†1.2	3.6	4.5	(6.8)
63	37	Marshall's Universal	63	+2	H1.75	—	4.0	18.9
89	77	Do. 7¾pcCnRedPf £1	78	.....	7¾%	—	13.7	—
30	20	Martin-Black	22a	.....	—	—	—	—
£108	£85	Mathesons 7¾%	£85	.....	Q7¾%	2.3	(9.6)	—
408	287	Metal Box £1	408	+2	†15.0	3.2	5.3	6.6
220	129	Metal Closures	142	−2	6.3	2.3	6.3	(7.9)
27	12	Metal Sciences 2½p	13	.....	—	—	—	—
19	8	Metrotec Jewelry	8½xd	.....	0.01	—	—	—
138	83	Midland Marts	90		4.0	1.8	6.3	11.4
71½	45	Mitchell Cotts	71½	+½	4.0	1.5	8.0	10.2
194	132	Morgan Crucible	194	+2	†7.5	1.2	5.5	(19.6)
36	24½	Morris (W) F.A. 20p	25½	.....	bq0.5	4.0	2.8	28.2
130	80	Moss (Robt.) 10p	105		†12.5	2.3	3.5	14.9
330	197	MMW Computers	283		6.0	3.0	3.0	15.8
65	38	Nash Inds.	42		2.5	♦	8.7	♦
47	30	Neill & Spencer 10p	39	+2	—	—	—	16.8
33	13	Newman Industries	20		—	—	—	(11.3)
31	16½	Do. 10pc CnvCm.Pf.	21	+½	10%	—	6.8	—
67	39	Norton	46		41.3	4.5	3.4	7.7
183	132	Nortros	167xd	+7	†7.5	2.4	6.4	8.8
86	55	Nu-Swift 5p	64	+1	†2.4	3.2	5.4	8.3
100	50	Oakwood Grp	78	.....	‡0.3	—	‡	—
190	135	Office & Elect	155	.....	7.5	4.2	4.8	7.1
108	92	Oldacre 20p	105		u4.0	2.6	5.4	9.3
875	650	Oriflame Intl SA	690		†$53c	2.2	6.8	6.7
46	18	Overstone 12½p	18		†04.5c	2.2	‡	4.1
£165	£120	Ozalid 9pc Cnv 87-92	£162		9%	—	(5.6)	—
190	115	PCT Grp 10p	115		q4.8	2.9	5.8	7.0
£12¾	975	PLM 'B' Sk 25	£11		Q20%	3.2	4.2	7.4
176	149	PSM Intl.	176	+2	bq5.25	2.6	4.3	12.9
62	40	Pacific Sales 10p	57	−1	u2.4	2.2	6.0	(8.6)
207	148	Parker Knoll 'A'	167		9.0	2.8	7.7	6.6
365	197	Park	220	+5	8.5	2.5	5.5	9.7

LEISURE—Continued

1984-85 High	Low	Stock	Price
35	8	Masterman Video 10p	10
218	125	Mellon's Hldgs 2p	218
288	182	LWT "A"	267
75	42	LeisureHome Int 10p	63
71	36	MAME Facilities 10p	67
160	98	Mngmt. Ag. M. 10p	150
179	118	Media Tech Int 20p	172
137	76	Medminster 10p	128
220	138	Miss World 10p	190
26	15	Mountview Leis.	23
46	9	Norvic Int 20c	17
31½	14½	Owners Abroad	23
66	33	Photax (Lon.)	45
29½	20	P'dilly Radio NV 5p	23
130	57	Pineapple Dnc St 10p	73xd
420	285	Pleasurama 5p	398
17½	10½	Pres Entertain 10p	17
158	60	Radio City 'A' NV	60
70	50	Radio Clyde N/V	55xd
148	30	Riley Leisure 10p	46
148	94	Saga Hols. 20p	147
580	145	Samuelson Grp £1	540
27½	18	Sangers Photo 10p	27
150	138	Scanro 50p	140
190	98	Scott. TV 'A' 10p	152
413	186	SeaCo Inc $0.125	329
35	10	SelecTV 10p	13
145	122	Spectrum 5p	138
37	29	TSW 5p	32
157	79	TVS N/Vtg 10p	134
170	102½	Television Svcs 50p	170
90	60	Tottenham Hotspur	79
189	120	Trid'nt TV 'A' 10p	189
173	100	21st Century Dvst	120
197	135	Tyne Tees TV 'A' £1	165
101	53½	Ulster TV N/V 'A'	92
28	17	Webb (Jos.) 5p	25
98	88	Zetters 5p	93

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

INSURANCES

LEISURE

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

MINES—Continued

Diamond and Platinum

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 23

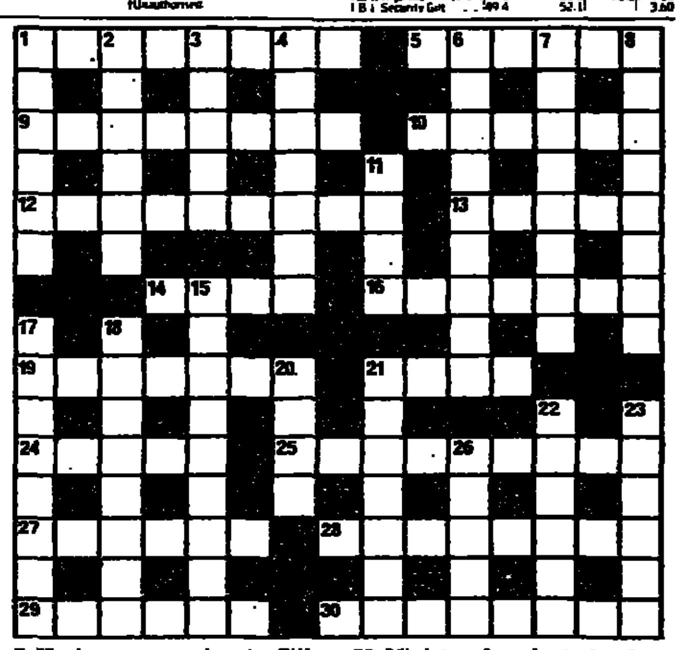
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,614



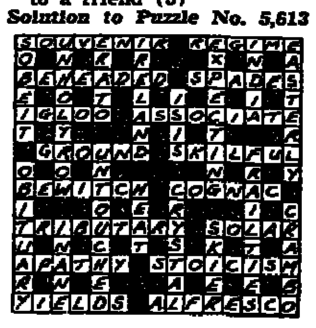
ACROSS

1 In the middle of the act a bit split (8)
5 Overcome with horror at the terrible gash in it (6)
9 Strangely enough, Thora is accepted into an island race (8)
10 A bank man enjoying his hobby? (6)
12 Good liner having broken propeller, seen in Venice (9)
13 May be following her! (5)
14 It has branches in the High Street (4)
16 Join the doctor once I move outside (7)
19 Sort of clip found at the end of a lead (7)
21 Secure that which is inside a short distance (4)
24 Instrument showing that nothing was working around midnight (5)
25 This way for the railway track (9)
27 Additional music centre for actors (6)
28 See drips getting roughed up and scatter (8)
29 In time the deserter will *make mistakes* (6)
30 Confused details about a duck in quarantine (8)

DOWN

1 Cost of a clumsily made case for silver (6)
2 One of those responsible for the issue? (6)
3 Proportion of active terrorist leaders entering port (5)
4 Wearing an eye-shade, turns up in Central Greece (7)
6 The policemen writing about grenades include a Mr French (9)
7 Having an aversion to Cilla, Reg goes crazy (8)
8 Brook is in the right sort of film (8)
11 *From* the United States a man is missing — it's him! (4)
15 The N.U.R. add ten trains surplus to requirements (9)
17 Only comes to ring Bet about that being out of date (8)
18 The fellow with a bottle-opener and a match (8)
20 Look—the doctor has taken a sweetheart! (4)
21 Time for the matches (7)
22 Search around for Elizabeth in a bar (6)
23 Minister found at the front door around supper-time (6)
26 Shock dad when standing up to a friend (5)

Solution to Puzzle No. 5,613



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INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St. St Helier, Jersey. 0534 36281

MgBkOsGr	101.5	101.9xd	+0.8	11.78
McBkLntBd	$1.06	1.08	+0.01	7.41

Minerals Oils Res Shrs Fd Inc
PO Box 194, St Helier, Jersey. 0534 27441

MresDc27	$10.52	10.63	....	3.76

Samuel Montagu Ldn Agents
114, Old Broad St, EC2. 01-626 3434

MtAm(E(z)	103.4	108.6	−0.4	5.29
MtJapInc(z)	72.1	75.8xd	+0.3	4.11
MtGltInc(z)	48.4	51.0xd	+0.4	10.59
MtStgRsJ9	$15.26	15.27	+0.03	9.17
MtGold(z)	—	50.525	....	—
ApDc31	SF103.80	112.62	....	1.24
JpDc31	HK$42.06	45.52	....	0.16
MtAmJa9	$17.79	19.14	+0.29	1.35
MFRNFJ3	$10.24	10.26xd	....	—
USIFJ7	$11.27	11.65	....	—

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C2. 041-221 5521

HopeStJ8	$65.55	70.21	....	1.84
MarFdJ10	£18.38	19.58	−0.64	—
PacFdJan9	$4.00	4.28	....	—

NEL International Ltd
PO Box 119, St Peter Port, Guernsey, CI.

Sterling Dep	78.0	82.1	....	—
SterlFxdInt	87.8	92.4	....	—
Sterling Man	99.6	106.3	....	—
IncFxdMan	103.4	112.4	....	—
Int Man	107.1	116.4	....	—

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St, St Helier, Jersey. 0534 70041

HgInRd(a)(b)	54.7	57.0	+1.0	10.53
EqtyFd(a)(b)	106.2	113.0	+2.0	1.97
IntBdFd(a)*	80.6	83.0xd	....	6.67

*Sub day every Thurs.

County Bank Currency Fund (z)

Dollar Class	$23.2696	+0.0048	—
Sterling Class	£11.5396	+0.0043	—
D-Mark Cl	DM53.7632	+0.0070	—
DutchGldrCl	DFl53.6934	+0.0072	—
Jap Yen Cl	Y5,448.3618	+0.7648	—

Negit SA
10a Boulevard Royal, Luxembourg.
NAV $9.38 .... —

Newport International Management
Bank of Bermuda Bldg, Bermuda. 809 295 4000

NptIntSec	$15.44	—	....	—
NptIntInc	$14.60	—	....	—
NptPacBr	$11.58	—	....	—

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000
Amer Tst $7.95 8.25 .... —

Normandy Trust Managers Ltd
29, Athol St, Douglas, IoM. 0624 29696

Ndy Mt	£0.9353	0.9846	....	—
Ndy Ct	£1.1484	1.2089	....	2.00
CnCGr	£0.6659	0.7010	....	2.00

Northgate Unit Tst Mngrs (Jersey) Ltd
PO Box 82, St Helier, Jersey. 0534 73741
PacFdJn2 $11.56 12.44 .... —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
Inv. Adv.: M & G Inv. Mngt. Ltd., London.
NAV $15.65 −0.02 —

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
OffshrGrw $1.112 1.193 .... 1.00

Phoenix International
PO Box 77, St Peter Port, Guernsey. 0481 23539

IntDollarFd	$4.12	4.44	+0.03	—
Far East Fd	$3.32	3.58	−0.05	—
Int Crncy Fd	$1.66	1.80	−0.03	—
DlrFxdIntFd	$4.18	4.50	....	—
Stlg Ex	£2.51	2.71	−0.03	—

Providence Capitol International Ltd
PO Box 121, St Peter Port, Guernsey. 0481 26726/9

£UKFxdInt	163.4	175.7	....	—
£UKStkMkt	178.7	192.2	....	—
£ St Md Fd	152.4	164.0	....	—
£ Spc Mk Fd	97.7	105.1	....	—
$IntStkMkt	100.4	108.0	....	—
$IntFxdInt	121.1	130.3	....	—

Wren Commodity Management Ltd
10 St George St, Douglas, IoM. 0624 25015

Wren Com Fd	12.7	13.2	....	3.10
Chinese Fd	58.8	61.2	....	1.70
ProcFeeFd	80.3	83.6	....	8.30
VangCmdyFd	21.5	22.1	....	—
FinFutures$Fd	32.4	33.8	....	—

Yamaichi Dynamic Mngt Co SA
19a Boulevard Royal, Luxembourg
Dynamic Grth Fd $8.68 +0.09

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust 63 Qn Victoria St, EC4P 4ST. 01-236 0952				
Call Fund	8.44	8.63	6mth	Call
7-day Fund	9.05	9.27	6mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AF 01-236 1425				
Call Fund	8.66	8.84	6mth	Call
7-day Fund	8.95	9.15	6mth	Call
Mny Mg Ac	8.50	8.78	6mth	Call
Dollar	7.60	7.12	6mth	1-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
TreasuryAcc	9.375	9.71	Qtr	Call
MthIntChq	9.25	29.65	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	9.45	9.87	Mth	Call
Barclays Prime Account PO Box 125, Northampton. 0604 252891				
High Int Chq	9.75	10.11	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circ, EC2M 5QL. 01-588 2777				
Cater Allen	9.00	9.38	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	9.25	9.652	Mth	Call
U.S. Dollar	8.00	8.300	Mth	Call
German Marks	5.0	5.116	Mth	Call
Swiss Francs	2.0	2.018	Mth	Call

Decisions sought on gold futures market

By John Edwards, Commodities Editor

THE SURVIVAL of the London Gold Futures Market is to be decided finally by a questionnaire that has been circulated to all floor members for return by not later than January 24.

Mr Robert Beale, chairman, in a letter to the members this week, says that the LGFM Board does not feel able to make any recommendations until it receives a positive reply to certain questions from at least half of the floor membership.

The questions concern the annual subscriptions that members would be willing to pay and whether they would be prepared to maintain a continuous presence on the "floor" at least until the end of 1985.

Once the answers to the questions have been received, another meeting of the LFGM members is expected to be called, probably in February, to decide the future of the market.

Mr Beale noted that the market could not be successful in its present form on the existing floor, or housed in another exchange, without financial support and effort from a large majority of floor members for at least a year.

He said the London Metal Exchange had indicated it was most unlikely to be interested in taking over the LGFM contract.

● The European Options Exchange in Amsterdam said yesterday it had established a 24-hour trading link for gold and silver options with two stock exchanges in Canada and with the Sydney Stock Exchange.

The Exchange said the 24-hour trading system would start on January 16.

All-day trading has been made possible by the recent entry of the Sydney Exchange into a common options clearing mechanism with the Canadians and the Amsterdam Exchange.

Brazil expected to tighten coffee export sales policy

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL IS expected to announce new regulations governing the sale of coffee to non-member countries of the International Coffee Organisation shortly, following a protracted domestic row over announced sales to China and Morocco.

The row over the agreed sale of 100,000 bags (each of 60 kg) of coffee to each of the two countries has already led to the resignation, under protest, of Sr Mauro Moitinho Malta, the *export director of the Brazilian* Coffee Institute, the IBC. It has also produced vehement complaints from the Commercial Association of Santos, which includes most of the country's coffee exporters.

Allegations of irregularities in the sales have concentrated on charges that excessively large discounts were to be provided to middle men companies and that operation were not registered with the IBC, the state coffee industry body, as required by law.

In addition, in the cast of China, the IBC had reportedly offered to provide free a further 12,000 bags of coffee for promotional purposes; a concession which Sr Malta denounced as strange and unnecessary.

Both Sr Aloisio Teixeira Garcia, the IBC president, and Sr Murillo Badaro, the Brazilian Industry and Commerce Minister, have acknowledged knowing of the planned transactions, which they defend as legitimate.

Following the disclosures over the sales, the coffee export trade in Brazil has been in uproar. Accusations and counter-accusations have descended to bitter personal insult.

Complicating the issue further has been the recent abolition of the so-called contribution quota charged by the IBC to coffee exporters, in favour of a straightforward export tax administered by the federal government.

Ending the contribution quota — a long-standing demand of the International Monetary Fund — had been strenuously resisted by the Industry and Commerce Ministry and the IBC on the grounds that it reduced their flexibility in promoting exports to new markets.

The effect of its abolition was expected to be a reduction in the size of the tax, previously U.S.$68 a bag. But there is considerable uncertainty in Santos over exactly how it would work and what the precise charges would be. As a result most export sales have been halted for the time being.

At the end of last week the Commercial Association of Santos took the unusual step of appealing directly to President Joao Figueiredo's chief domestic affairs aide, Sr Joao Leitao de Abreu, to take urgent measures to "halt the irregularities being practised by the IBC."

Resignation confirmed of rubber stock manager

BY WONG SULONG IN KUALA LUMPUR

MR HARVEY ADAMS, the International Natural Rubber Organisation bufferstock manager, has confirmed he has tendered his resignation.

He is expected to leave the Kuala Lumpur-based organisa*tion at the end of June after* about 18 months in the job.

Mr Adams, an American formerly with Firestone, is known to be unhappy with the constraints of the job and the increasing pressure put on him by the West European members of the 32-member Inro.

His resignation comes at a difficult time for Inro as the rubber price has fallen to a level when the buffer stock may have to intervene actively to boost prices.

Inro will also meet in Geneva in April to renegotiate a rubber agreement against a background of disappointment by both producers and consumers about the effectiveness of commodity pacts.

The U.S. has already told Malaysia it would not be prepared to discuss the producers' proposal for a supply rationalisation scheme for the next agreement because it is seen as a disguised form of export control.

The buffer stock intervened on Tuesday for the second successive day in Kuala Lumpur and Singapore to buy rubber to halt the decline in prices which had fallen to a eight year low of 189 Malaysian cents a kilo.

Malaysian rubber officials said they were puzzled over the sharp price decline in recent weeks.

Farm land price continues to be weak

By Richard Mooney

THE UK farm land market continued weak last autumn according to figures published by the Agriculture Ministry.

They show English vacant possession land sales in the September to November *period* averaged £3,795 a hectare, down from £3,994 in the three months ended October.

The weighted average price, which allows for area and size variations in the sample, was calculated at £4,159 a hectare, down from £4,293 in June-October

English farm land prices have been declining since the summer when they reached around £5,000 a hectare. The fall is generally attributed to uncertainty about the future of EEC agricultural price support

Distillate fuel oil stocks rise in U.S.

By Nancy Dunne in Washington

U.S. DISTILLATE fuel oil stocks rose by more than 1.8m barrels at the end of of last week to 159.2m barrels, despite a continuing slide in crude oil stocks. The supply of distillate was 17.7m barrels above the same time in 1984.

Stocks of residual fuel and gasoline moved up as well to 54.8m barrels and 241m barrels respectively.

However crude oil stocks fell to 335.9m barrels, a drop of 2.5m barrels from last week, reflecting traders' reluctance to buy several weeks ago when prices seemed due to fall. Crude stocks last week were 15.6m barrels below last year at this time.

Crude imports last week remained steady at 2.6m barrels remained at 2.6m barrels, a rise of just 300,000 from the previous week.

The rise in U.S. distillate stocks helped to depress prices on the European spot oil market which had been boosted earlier in the week by the cold snap. The Brent Blend price ended $0.20 lower at $26.55 a barrel.

Values also declined on the London gas oil futures market where the February delivery quotation finished $2.25 down at $224.50 a tonne.

● CIVIL SERVANTS at the Agriculture Ministry have accused it of unbelievable complacency over the imposition of milk quotas last year.

In a letter to Big Farm Weekly, Mr Mike Sparham of the Society of Civil and Public Servants said the ministry had been totally unprepared for the introduction of quotas, and it under-estimated the scale of the problems that would ensue.

He also warned that while the ministry seemed confident that no production quota would be imposed on other commodities, "prudent planning should be taking place in case it does happen again. We do not want to be caught out twice."

Zambia's ox cart revolution

BY PATTI WALDMEIR, RECENTLY IN LUSAKA

MR BARRY COXE, a British-born farmer, gestures towards four homemade ox carts just visible across a field of perky three-inch maize seedlings, saying: "I used to think it was just a gimmick, but not any more."

Mr Coxe, who raises cattle and seed crops in the Mazabuka district of Zambia's drought-stricken Southern province, has joined a growing wave of large-scale commercial farmers in Zambia who are leaving tractors and sophisticated machinery idle and turning to more traditional farming methods.

Faced with severe shortages of imported equipment and spares and the high cost of fuel, the commercial sector, where some 1,000 farmers provide more than 40 per cent of marketed farm output, has had to take a leaf out of the peasant's book to survive.

Mr Jim Woods, of the Commercial Farmers' Bureau, says: "We are using oxen to transport fertiliser, and hiring local labour to hand plant and harvest crops. We have to."

To Mr Coxe's mind, the advantages of using oxen are irresistible: two oxen and a cart can carry food for as many cattle in a day as a modern tractor, at a cost of Kwacha 2 (U.S.$1) against K96 for the tractor. In addition, the locally-made carts need few imported spares and frequent diesel shortages do not cripple them.

He says: "Ten years ago, there were no oxen on commercial farms in this district. Now every farmer is training oxen."

The *intervennig decade* has seen Zambia plunged into a severe economic crisis by a fall in the price of copper, which provides 90 per cent of export earnings.

This triggered a vicious circle whereby shortages of foreign exchange to buy imported inputs have crippled production, leaving the export sector less and less able to generate foreign exchange to pay for imports.

Per capita agricultural production fell sharply between 1975 and 1980, under the influence of this lack of imported inputs coupled with low producer prices, inefficient marketing and runaway population growth—the same formula which continues to blight food production in much of Africa today.

Zambia was virtually self-sufficient in basic cereals at independence in 1964, but by 1980 it was forced to import over 20 per cent of its cereal needs, before the current drought intervened to boost imports even further.

Since the beginning of the 1980s, big steps have been taken to reverse this decline, although growth is still hampered by insufficient inputs, a credit shortage and three years of poor rainfall.

With exploitable copper reserves likely to be exhausted by the end of the century, government officials stress that agriculture is Zambia's only hope for the future.

In a remarkably candid condemnation of the heavy food subsidies which have been at the heart of his government's policy since independence, President Kenneth Kaunda said *last year that spending on sub*sidies had prevented capital development and increased joblessness. By the end of 1984, subsidies had been removed from virtually all foods apart from maize.

Savings from subsidy reductions have been passed on to the farmer in the form of sharp increases in producer prices.

According to the Bank of Zambia's latest report, total marketed maize production in 1983 rose to 630,000 tonnes from 508,000 the previous year, despite poor rains in some areas. This was partly the result of a producer price rise which boosted plantings by 12.5 per cent.

Other incentives introduced recently include a cut in agricultural taxes to 15 per cent, compared with 50 per cent for other sectors; the right of agricultural exporters to retain 50 per cent of export earnings to finance imports and remit profits; as well as bonuses for production.

Western donors have welcomed the Zambian government's courageous decisions on agricultural pricing — which have led to sharp food price rises when the hardships facing Zambians were already acute — and the World Bank is expected to approve a large rehabilitation package for the sector soon.

Several large hurdles remain before agriculture can become the engine for growth needed to pick the country out of its economic slump.

The drought which has blighted three successive crops appears to have eased, yet the long term problem of how to reverse the exodus of youth from the countryside — Zambia is among the most urbanised countries in Africa — remains.

Mr Coxe and three other commercial farmers in the Mazabuka district have decided that they cannot wait for government to generate that growth. They have mortgaged their homes and farms to build a K1.6m dam which will eventually irrigate 3,200 acres, guaranteeing a good crop in drought years and providing a winter harvest as well.

Government officials would agree, such self-help projects must be at the heart of Zambia's green revolution.

MARKETED AGRICULTURAL PRODUCTION 1977-83 (tonnes)

	1977	1979	1981	1982	1983†
Maize	693,000	331,253	593,341	508,328	630,622
Tobacco	5,900	4,971	2,884	2,565	2,811
Groundnuts	7,229	2,787	1,328	810	987
Sunflower	13,320	12,869	19,223	20,362	31,400
Seed cotton	8,929	14,916	17,177	13,171	32,019
Wheat	4,741	4,322	11,478	12,510	18,010
Rice	2,090	1,686	2,673	2,328	5,852
Soyabeans	1,274	1,294	3,673	5,140	6,968
Cattle (head)	79,700	84,000	100,052	105,000	110,864

† Preliminary.

Souce: Central Statistical Office and Ministry of Agriculture and Water Development.

LONDON MARKETS

COFFEE PRICES moved up strongly in the London futures market on trade and speculative buying against a background of improved roaster interest and constructive chart patterns. The January position ended £48.50 up at £2,294.50 a tonne and *the March position £35 up at* £2,315.50 a tonne.

A continuation of the recent rise in cocoa futures took the May position to a 15-week high of £1,962 a tonne before this was trimmed back to £1,951 at the close, up £5.50 on the day. Dealers suggested the market may have become overbought in the rise.

On the London Metal Exchange cash high grade copper moved up another £11 to £1,103.50 a tonne reflecting firmness in U.S. futures.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

	Jan. 9 1985	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt.	$1100/1150	—5	$1165/1215
Copper			
Cash h Grade	£1163.5	+11	£1110.5
3 mths	£1172.25	+12.5	£1123.75
Gold troy oz	$301.25	—1	$334.75
Lead Cash	£375	—9	£348.5
3 mths	£328.75	—1	£333.25
Nickel	£5816		£5967
Free Mkt.	217/247c	+1	222/252c
Palladium oz	$115.75	+1.40	$137.25
Platinum oz	$276.50	+2.35	$313.25
Quicksilver†	$300/310		$300/310
Silver troy oz	514.70p	—11.25	565.70p
3 mths	527.05p	—12.80	579.50p
Tin cash	£9800	—60	£9867.5
3 mths	£9765	—42.5	£9822.5
Tungsten	$81.76		$86.50
Wolfram 22 04lb	$66/70		$74/76
Zinc	£725.5	+6.5	£678.75
3 mths	£713.75	+6.25	£669.25
Producers	$900		$900

	Jan. 9 1985	+ or —	Month ago
OILS			
Coconut (Phil)	$885y	—25	$955
Palm Malayan	$585		$595
Seeds			
Copra Phil	$560y		$570
Soyabean (U.S.)	$242.5	—1.75	$247.75
GRAINS			
Barley Fut. Mar	£113.35	—0.25	£113.15
Maize	£146.50		£145.60
Wheat Fut. Mar	£113.40	—0.25	£113.35
No2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. May	£1951	+5.5	£1845.5
Coffee Ft. Mar	£2315.5	+35	£2228.5
Cotton A index	71.80c	—0.15	71.60c
Gas Oil Feb.	$224.5	—2.25	$227.5
Rubber (kilo)	62.25p		61p
Sugar (raw)	$99.5y	+2	$103
Wooltops 64s	486p kilo		482p kilo

‡ Unquoted. z Feb. y Jan-Feb. x Dec-Jan. † Per 75-lb flask. n Nominal C Cents per pound.

INDICES

FINANCIAL TIMES

Jan. 8	Jan. 7	M'th ago	Year ago
292.31	292.51	289.49	296.88

(Base: July 1 1952 = 100)

REUTERS

Jan. 9	Jan. 8	M'th ago	Year ago
1932.5	1922.6	1903.8	1970.5

(Base: September 18 1931 = 100)

MOODY'S

Dec. 27	Dec. 19	M'th ago	Year ago
965.9	966.4	—	1404.2

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 27	Dec. 19	Month ago	Year ago
Spot	121.99	122.63	—	140.42
Fut	124.33	125.68	—	143.63

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1162-3	+7	1163-4	+11
3 months	1170-.5	+11	1172-.5	+12.5
Settlem't	1163	+7	—	—
Cathodes				
Cash	1159-60	+13.5	1161-.5	+15.2
3 months	1170-1	+8.5	1173-.6	+13
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	915 6	+8.25	918-9	+18
3 months	938-9	+7.25	941.5-2	+10.5

Aluminium—Morning: Three months [illegible]

NICKEL

[illegible]

GOLD

[illegible]

SILVER

Silver was fixed 11.25p an ounce lower for spot delivery in the London bullion market yesterday at 514.70p. U.S. cent equivalents of the fixing levels were: spot 587.8c, down 19.7c; three-month 589.6c, down 20.3; six-month [illegible]

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

The market closed at the lows in dull trading as profit-taking out-weighed short-covering, reports Muir-pace.

[illegible]

PIGMEAT

[illegible]

POTATOES

[illegible]

OIL

Brent opened with many sellers, all at low levels, but found little buying interest; most trade was for February cargoes and at 15-25c down. Nymex opened 5-10c down, rose slightly in very early trading but fell back to 8-9c lower by 1 pm EST. The petroleum products followed separate paths: Gas oil prices weakened on a higher API stocks figure, a slightly weaker Nymex *on Tuesday evening and spot profit-taking*: strong demand continued for small January heavy fuel cargoes, but was limited for other dates and sizes —Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	28.10-28.20	+0.05
Arab Heavy	26.60-26.70	+0.10
Dubai	27.10-27.20	—0.15
Brent Blend	26.50-26.60	—0.20
W.T.I. (1pm est)	25.40-25.50*	—0.35
Forcados (Nigeria)	27.00-27.15	—
Urals. (cif NWE)	26.70-27.00	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	233-235	—1
Gas Oil	224-226	—2.5
Heavy fuel oil	181-185	—

*February.

Petroleum Argus Estimates

GAS OIL FUTURES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

U.S. MARKETS

PRECIOUS METALS rallied sharply with higher currencies on massive short-covering and profit-taking attracting technically orientated buying late in the day, reports Heinold Commodities. Copper was very strong on the close as commission *house buying, trade short*-covering and active arbitrage interest supported the market. Aluminium prices followed the general bullish psychology in currencies and metals and closed sharply higher on arbitrage interest and bargain hunting by speculators. Heating oil was mixed with the strength concentrated in the spot month due to cold weather: distant months lagged behind the nearbys on speculation that price wars among producers are unavoidable. Cotton was nominally lower as recent strength attracted some producer selling and trade hedging. Cocoa moved fractionally higher in light trading as arbitrage buying and improved offtake by European processors supported current values. Coffee firmed on strong technically orientated interest which triggered some commission house short-covering. Soyabeans and wheat rallied sharply on tight cash markets and on strong currencies and were further supported by local short-covering and stop-loss buying after the locals faded following the initial rally. Maize finished slightly higher as commercial and local selling kept the speculative interest in check.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Jan	47.75	—	—	46.80
Feb	48.00	—	—	47.05
March	48.40	48.50	47.70	47.45
May	49.20	49.05	48.60	48.25
July	50.00	—	—	49.05
Sept	50.80	50.45	50.45	49.85
Dec	52.00	51.65	51.65	51.05
Jan	52.40	—	—	51.45
March	53.20	52.85	52.85	52.25
May	54.00	—	—	53.05

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2089	2094	2079	2082
May	2117	2118	2102	2108
July	2113	2112	2105	2108
Sept	2116	2112	2110	2110
Dec	2050	2052	2043	2050
March	2059	—	—	2058
May	2049	—	—	2048

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	143.44	43.50	42.50	42.28
May	140.59	40.60	39.90	39.79
July	139.04	39.05	38.30	38.25
Sept	137.51	37.55	36.80	36.75
Dec	136.30	36.30	36.00	35.45
March	135.28	35.00	35.00	34.03
May	134.26	34.00	34.00	33.03

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	58.00	—	—	56.75
Feb	58.30	—	—	57.05
March	58.70	58.80	57.70	57.45
May	59.30	59.40	58.40	58.05
July	59.85	59.85	59.00	58.66
Sept	60.40	60.45	59.50	59.20
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
July	639.8	643.0	610.0	611.2
Sept.	649.7	648.0	620.0	621.1
Dec	665.7	668.0	639.0	637.1
Jan	671.2	—	—	642.6
March	682.2	678.0	655.0	652.6
May	694.2	685.0	685.0	665.6

SUGAR WORLD "11" 112,000 lb, cents/lb

[illegible]

SPOT PRICES—Chicago loose lard 25.00 (24.50) cents per pound. New York tin 508.0-522.0 (510.0-525.0) cents per pound. Handy and Harman silver bullion 600.5 (601.0) cents per pound.

	Close	High	Low	Prev
March	4.33	4.38	4.20	4.29
May	4.72	4.74	4.58	4.62
July	5.11	5.13	4.96	5.00
Sept	5.33	5.28	5.24	5.24
Oct	5.53	5.53	5.37	5.43
Jan	5.87	5.96	5.85	5.91
March	6.51	6.49	6.37	6.42
May	6.60	—	—	6.60

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sept	23.85	23.90	23.65	23.65
Oct	23.30	23.30	23.30	23.30
Dec	23.12	23.50	22.96	22.85

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	345.4	346.2	341.8	340.4
May	337.4	338.2	334.0	334.0
July	329.6	330.6	328.0	329.2
Sept	329.4	331.4	329.4	329.2
Dec	339.0	340.4	339.0	338.4
March	343.0	343.4	343.0	342.0

OTHER MARKETS

COTTON

LIVERPOOL—Spot and shipment sales amounted to 191 tonnes. Moderate trading developed with East and West African growths in request as well as Russian and Turkish styles.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg. 109.1p a kg, withdrawn (109.0p): 26-30.5 kg, 121.0p a kg (116.6); 22-25.5 kg. 137.5p a kg, withdrawn (134.8). Cows: 25.5 kg. 135.8p a kg (132.7p).

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 98.32p per kg lw (+0.88). GB—Sheep 183.22p per kg est dcw (−25.89). GB—Pigs 93.86p per kg lw (+0.05).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 78.0-85.0; English hindquarters 98.0-106.0, forequarters 56.0-60.0. Veal—Dutch hinds and ends 124.0-128.0. Lamb—English small 74.0-82.0, medium 72.0-78.0, heavy 68.0-74.0; Scotch medium 73.0-76.0, heavy 70.0-73.0; Imported: New Zealand PL (new season) 70.0-71.0. PX (old season) 65.0-65.5. Pork—English under 100 lb 54.0-62.0, 100-120 lb 55.5-60.0, 120-160 lb 46.0-54.0.

WOOL

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business): New Zealand cents per kg. Jan 510, 513, 512-509; March 513, 516, 516-514; May 523, 524, 525-524; Aug 539, 540, 540-537; Oct 539, 543, 540; Dec 540, 543, nil; Jan 540, 546, 542-541; March 550, 551, 551; May 554, 558, 557. Sales: 68

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 581.5, 582.0; May 584.0, 590.0, 588.0; July 596.0, 598.0; Oct 583.0, 590.0; Dec 596.0, 595.0; March 582.0, 605.0; May 600.0, 605.0; July 605.0, 610.0. Sales: 1.

PARIS

SUGAR—(FFr per tonne): March 1346/1348, May 1394/1397, Aug 1385/1389, Oct 1541/1544, Dec 1620/1630, March 1730/1735.

COCOA—(FFr per 100kg): March 2121/2124, May 2135/2140, July 2140 bid, Sept 2145 bid, Dec 2080/2085, March 2085 bid, May 2080 bid.

هكذا صدر الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases after firm start

The dollar fell from the day's highs in currency markets yesterday, having failed to breach the psychologically important DM 3.18 level but it still finished up from Tuesday's closing levels. Uncertainty surrounding the dollar's upward potential served to keep many corporate customers on the sidelines while the extent of any speculative surge was inhibited by fears of renewed central bank intervention.

Consequently the dollar peaked at DM 3.1725 against the D-mark and a softer trend in U.S. interest rates tended to pull the dollar back from the day's highs. It finished at DM 3.1630 up from DM 3.1540 and SwFr 2.6515 compared with SwFr 2.6355. It was also firmer against the yen at Y255.05 from Y253.70 and FFr 9.6850 from FFr 9.6625. On Bank of England figures the dollar's trade weighted index rose to 145.9 from 145.7.

STERLING—Trading range against the dollar in 1984-85 is 1.4940 to 1.1420. December average 1.1873. Exchange rate index fell to 72.3 from 72.7, having touched an all time trading low of 72.2 in the morning. The six months ago figure was 77.6.

Sterling finished at its worst closing level ever on its index and equalled the closing low touched on Monday against the dollar. Against the latter it was quoted at an all time trading low of $1.1370 but recovered sufficiently to finish at $1.1415-1.1425, a fall of 60 points from Tuesday.

Once again uncertainty over North Sea oil prices provided much of the underlying bearish tone while the receding prospect of an imminent rise in UK base rates provided further downward momentum. Against the D-mark it eased to DM 3.6075 from DM 3.62 and SwFr 3.02 compared with SwFr 3.0250. It was also lower in terms of the yen at Y290.25 from Y291.25 and FFr 11.03 from FFr 11.15.

D-MARK—Trading range against the dollar in 1984-85 is 3.1760 to 2.5535. December average 3.1021. Trade weighted index 120.4 against 124.5 six months ago.

The dollar was fixed at DM 3.1672 at yesterday's fixing in Frankfurt. This was up from Tuesday's figure of DM 3.1385 and there was no intervention by the Bundesbank. Nor were there any indications of open market activity by the central bank. Activity was restrained ahead of the opening of New York as most of the recent fluctuations have occurred in this market.

Elsewhere sterling was fixed at DM 3.6130 down from DM 3.6270 and the Swiss franc was also lower at DM 1.1953 compared with DM 1.1969. Within the EMS the French franc slipped to DM 32.66 per FFr 100 from DM 32.665 while the Dutch guilder improved to DM 88.55 per Fl 100 from DM 88.525. The Belgian franc was hardly changed at DM 4.995 per BFr 100 from DM 4.994.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu January 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.5842	−0.71	—	±1.5428
Danish Krone ...	8.14104	7.97040	−2.10	−1.39	±1.6421
German D-Mark	2.24184	2.22816	−0.16	+0.10	±1.1463
French Franc ...	6.87456	6.82153	−0.77	−0.06	±1.3659
Dutch Guilder ...	2.52595	2.51564	−0.41	+0.30	±1.5165
Irish Punt ...	0.72569	0.713013	−1.75	−1.04	±1.6671
Italian Lira ...	1403.49	1367.65	−2.55	−2.41	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Jan 9	Previous
8.30 am	72.4	72.7
9.00 am	72.2	72.7
10.00 am	72.2	72.8
11.00 am	72.3	72.8
Noon	72.3	72.8
1.00 pm	72.2	72.8
2.00 pm	72.2	72.8
3.00 pm	72.3	72.6
4.00 pm	72.3	72.7

£ in New York

	January 9	Prev. close
£ Spot	$1.1400-1.1410	$1.390-1.1400
1 month	0.16½-0.14½ pm	0.17-0.16 pm
3 months	0.47-0.43 pm	0.50-0.46 pm
12 months	0.75-0.60 pm	0.85-0.75 pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Jan 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1370-1.1455	1.1415-1.1425	0.16-0.13c pm	1.52	0.47-0.42pm	1.56
Canada	1.5035-1.5105	1.5085-1.5105	0.02c pm-0.06d	−0.16	0.18-0.04pm	0.29
Nethlnd	4.06-4.08¾	4.06-4.07	1½-1¼c pm	3.87	4¼-3¾pm	3.94
Belgium	72.10-72.86	72.10-72.20	4-8c dis	−1.08	7-16dis	−0.64
Denmark	12.89¾-12.94½	12.90-12.91	1½-2¼ore dis	−1.86	4¼-5¼dis	−1.55
Ireland	1.1540-1.1595	1.1560-1.1570	0.42-0.58p dis	−5.19	1.05-1.35dis	−4.15
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 72.45-72.55. Six-month forward dollar 0.78-0.73c pm. 12-month 0.90-0.78c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1370-1.1455	1.1415-1.1425	[illegible]	[illegible]	[illegible]	[illegible]
Ireland†	0.9855-0.9892	0.9875-0.9890	[illegible]	[illegible]	[illegible]	[illegible]
Canada	1.3196-1.3207	1.3200-1.3205	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	3.5606-3.5875	3.5645-3.5655	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	63.75-63.48	63.15-63.25	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	11.28-11.34½	11.29½-11.30½	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.45-63.55.

OTHER CURRENCIES

Jan. 9	£	$		£ Note Rates
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	[illegible]	[illegible]	France	[illegible]
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth. African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

Jan. 9	Bank of England Index	Morgan Guaranty Changes %
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish Kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	[illegible]	[illegible]	[illegible]
U.S. $	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Austria Sch.	[illegible]	[illegible]	[illegible]
Belgian Fr.	[illegible]	[illegible]	[illegible]
Danish Kr.	[illegible]	[illegible]	[illegible]
Dmark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norway Kr.	[illegible]	[illegible]	[illegible]
Spanish Pta.	[illegible]	[illegible]	[illegible]
Swedish K.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Drch.	[illegible]	[illegible]	[illegible]
Irish Punt	[illegible]	[illegible]	[illegible]

*CS/SDR rate for January 8 [illegible].

EXCHANGE CROSS RATES

Jan. 9	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschemark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japanese Yen 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc 10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgian Franc 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term [illegible] per cent; seven days [illegible] per cent; one month [illegible] per cent; three months [illegible] per cent; six months [illegible] per cent; one year [illegible] per cent. Long-term Eurodollars: two years 10½-10¾ per cent; three years 11-11¼ per cent; four years 11¼-11½ per cent; five years 11½-11¾ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Improved sentiment defers base rate rise

Interest rates were a little easier in London yesterday despite sterling's continued weakness, as the market took strength from the latest UK money supply figures and moves by the Bank of England to ease the passage of the tax-paying season. Three-month eligible bank bills were bid at 9$\frac{9}{32}$ per cent, down from 9⅜-9¼ per cent, while three-month interbank money slipped to 9$\frac{15}{16}$-10$\frac{1}{16}$ per cent from 9$\frac{15}{16}$-10$\frac{1}{16}$ per cent. Overnight interbank money opened at 8¾-9 per cent and touched a low of 8¼ per cent before finishing at 15 per cent.

The Bank of England forecast a shortage of around £700m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £173m and the unwinding of previous sale and repurchase agreements a further £116m. In addition Exchequer transactions drained £410m and there was a rise in the note circulation of £10m. On the other hand banks brought forward balances £10m above target.

To help alleviate the shortage, the Bank offered an early round of assistance which totalled £143m and comprised purchases of £7m of eligible bank bills in band 3 (34-63 days) at 9¼ per cent and in band 4 (64-91 days) £40m of local authority bills and £96m of eligible bank bills all at 9¼ per cent. The forecast was later revised to a shortage of around £600m before taking into account the early help but there was no further assistance in the morning.

The forecast was revised once more to a shortage of around £550m and the Bank gave additional help in the afternoon of £145m comprising purchases of £4m of eligible bank bills in band 1 (up to 14 days) at 9¼ per cent and £15m in band 2 (15-33 days) at 9¼ per cent. It also arranged sale and repurchase agreements on £126m of bills at 9¼ per cent, unwinding on January 15. In addition the Bank gave late assistance of £140m, making a total of £428m.

The Bank also announced a repurchase facility to offset seasonal tax flows, which if fully taken up would amount to £2bn. The take up will be restricted to 2 per cent of banks' eligible liabilities and will run from January 15 to February 14.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

MONEY RATES

Jan. 9	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.55	10⅛	4⅜-4⅝	5$\frac{7}{16}$-5¾	6.03125	15⅝-16	8.40	13⅞-14
One month	5.65-5.80	10⅝-10½	4⅜-4⅞	5¾-5$\frac{15}{16}$	6.21875	15⅝-15¾	10⅝-10⅞	14⅝-15
Two months	5.65-5.70	10⅞-10⅞	—	—	—	—	—	14¾-15
Three months	5.65-5.80	10$\frac{7}{16}$-10⅞	4¾-4⅞	5⅜-5$\frac{11}{16}$	6.28125	15⅝-16	10⅝-10⅞	14¾-15
Six months	5.65-5.80	10½-10⅝	—	5$\frac{11}{16}$-5⅞	—	—	10⅝-10⅞	14½-14⅝
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10½	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Jan. 9 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8¼-15	9-9⅜	8¼-9¼	8½-9¾	—	—	—	—	—
2 days notice	—	—	8⅞-9¼	—	—	—	—	—	—	—
7 days or	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Four years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Five years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance IV: Average Rate of interest period December 5 1984 to January 1 1985 (inclusive): [illegible] per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice [illegible] per cent. Treasury Bills: Average tender rates of discount [illegible] per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9½ per cent from January. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9-10½
Fed funds	8
Fed funds at intervention	—

Treasury Bills

One month	7.55
Two month	7.65
Three month	7.69
Six month	7.93
One year	8.24

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. January 9)
3 months U.S. dollars

bid 8 1/4 | offer 8 3/8

6 months U.S. dollars

bid 8 5/8 | offer 8 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Further rise

Prices were generally firmer in the London International Financial Futures Exchange yesterday. Euro-dollar values started on a strong note but reacted adversely to a 7.2 per cent U.S. unemployment figure compared with a revised 7.1 per cent rate for November. However, the effect was short lived and after slipping from near record highs, prices were marked up once more helped by a lower Federal funds rate. The three-month Euro-dollar for March delivery opened at 90.85, up from 90.78, and rose to finish at 90.93.

U.S. Treasury bond futures reacted in much the same way but appeared to lack conviction. Consequently the March contract finished only $\frac{1}{32}$ firmer than the opening price at 71-25 but was still well up from Tuesday's settlement price of 71-12.

Gilt futures showed some fright initially as sterling slipped to record lows but values improved later in the day on a steadier pound. Sentiment was also buoyed by the passing of any imminent rise in UK base rates. Both gilts and the FT-SE sector benefited from large amounts of institutional money available for investment. So much so that the FT 30-share index touched a record high of 983.1, also helped by a better tone to Wall Street.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.93	90.96	90.84	90.78
June	90.35	90.39	90.26	90.19
Sept	89.84	89.88	89.78	89.68
Dec	89.42	89.45	89.37	89.26
March	89.06	89.10	89.01	88.90

Est volume 7,162 (6,294)
Previous day's open int 10,454 (10,531)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
March*	[illegible]	[illegible]	[illegible]	[illegible]
June*	[illegible]	[illegible]	[illegible]	[illegible]
Sept*	[illegible]	[illegible]	[illegible]	[illegible]
Dec*	[illegible]	[illegible]	[illegible]	[illegible]
March*	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	71-25	72-00	71-18	71-12
June	71-01	—	—	70-20

Est volume 2,835 (1,927)
Previous day's open int 1,318 (1,387)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	91.18
June	[illegible]	[illegible]	[illegible]	90.59
Sept	[illegible]	[illegible]	[illegible]	—
Dec	[illegible]	[illegible]	[illegible]	89 62

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	90.78
June	[illegible]	[illegible]	[illegible]	90.19
Sept	[illegible]	[illegible]	[illegible]	89.67
Dec	[illegible]	[illegible]	[illegible]	89.23
March	[illegible]	[illegible]	[illegible]	88.87
June	[illegible]	[illegible]	[illegible]	88.55
Sept	[illegible]	[illegible]	[illegible]	88.26

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	1.1360
June	[illegible]	[illegible]	[illegible]	1.1340
Sept	[illegible]	[illegible]	[illegible]	1.1330
Dec	[illegible]	[illegible]	[illegible]	1.1320

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	69-17
June	[illegible]	[illegible]	[illegible]	68-25
Sept	[illegible]	[illegible]	[illegible]	68-05
Dec	[illegible]	[illegible]	[illegible]	67-20
March	[illegible]	[illegible]	[illegible]	—
June	[illegible]	[illegible]	[illegible]	66-23
Sept	[illegible]	[illegible]	[illegible]	66-11

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 9.

[illegible]

OVER-THE-COUNTER

Continued from Page 34

[illegible]

Indices

NEW YORK-DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

New York Active Stocks

TORONTO

MONTREAL Portfolio

[illegible]

** Saturday January 5: Japan Nikkei-Dow 11,545.2. TSE 919.22.

New Eurobond issues find going tough

BY MAGGIE URRY IN LONDON

THE FLOOD of new issues in the Eurobond market seems to have been overdone yet again. Another bunch of issues launched yesterday in the Eurodollar sector, all aggressively priced, were finding it hard going.

One syndicate manager said: "I've turned down more deals today than for a long time," and others remarked that none of the U.S. dollar issues was sensibly priced.

Late in the day Morgan Stanley launched a $200m issue for G.-E. Credit, won against fierce competitive bidding. The terms were set at a five year life, extendible to 15 years, a 10⅝ per cent coupon and a 99.675 issue price. There is a call option at par after four years. Fees totalled 1¾ per cent and the bonds were being offered at 98.

Goldman Sachs got in early with a two-tranche issue for Ford Motor, each portion being $100m. The first tranche has a five year life and 11¼ per cent coupon with a 99⅞ issue price. Fees are 1⅞ per cent. The second tranche is for 10 years with a 12 per cent coupon and 99¾ issue price, with total commissions of 2 per cent. The longer issue was meeting stronger demand and dealers said both tranches were bid at a 1⅞ per cent discount to their issue prices.

Denmark, a regular borrower in the market, brought an issue lead managed by County Bank. The $100m deal has a seven year life and 11⅛ per cent coupon. The issue price is 100¼. The terms were regarded as too tight by dealers, although by the close the bonds were bid inside the 2 per cent fees, having traded lower earlier.

Payment on the deal is not until April 1 – which may attract Japanese buyers whose financial year ends in March.

Deals also appeared for Banque Indosuez, lead managed by Credit Suisse First Boston, and for Eksportfinans brought by Chase Manhattan. Both are for $100m.

The Indosuez issue has a 7½ year life and a 11⅝ per cent coupon with a par issue price. Traders reported that the bonds were offered at a 1⅞ per cent discount to the par issue price, equal to the fees.

Eksportfinans' issue has a seven year maturity and a 11¼ per cent coupon and par issue price. This was trading just inside the 1⅞ per cent fees.

Syndicate managers were working long hours yesterday, and well after dark Morgan Stanley launched a $100m extendible deal for SEK. This has an initial three year life but can be extended to 1994. The coupon is 10⅝ per cent and issue price 100¼.

The motivation for many of the deals were swaps into funds at rates below London interbank offered rate. Aggressive terms mean borrowers can get good rates for floating money, in Denmark's case perhaps 40 basis points below Libor.

The secondary market improved in the morning, but weakened again later to close unchanged. Traders noted that the interest was mainly professional.

BHF Bank bond average		
Jan 9		Previous
102.755		102.736
High	1985	Low
103.042		98.066

American Medical International, the health group, went into the Eurosterling market despite the worries about the sterling/dollar exchange rate which is upsetting that sector. Syndicate managers also suggested the terms were tight, giving a yield below gilt-edged stocks. The £40m issue has a 10 year life, a 11¼ per cent coupon and par issue price. Fees totalled 2¼ per cent, the level at which the bonds were bid in the market. Lead manager is Barclays Merchant Bank.

A brighter spark was seen in the Canadian dollar market, a C$50m 10-year issue from Zentralsparkasse (ZBank), the Vienna bank. Lead manager Orion Royal Bank fixed the coupon at 11⅞ per cent and issue price at par. A swap into floating rate funds is connected with the deal.

The issue traded around 98⅝, well inside the 2 per cent total fees.

In the D-Mark bond market Commerzbank launched a DM 94m private placement for the European Coal and Steel Community. The unusual amount was requested by the borrower. The bonds have a 6.55 average life and a 7¼ per cent coupon. The yield is slightly higher than for ECSC's recent public issue. In early trading the bonds were quoted comfortably inside the 1¾ per cent selling concession.

Low turnover is still keeping the D-Mark foreign bond market little changed.

In the Swiss franc foreign bond market Sharp Corporation, the electronics group, is raising SwFr 200m through a five-year private placement. A public issue for SwFr 150m is expected tomorrow. The private placement is convertible into shares and the indicated coupon is 2 per cent. Lead manager is Credit Suisse.

UBS announced a SwFr 100m straight private placement for Aumar the Spanish highway company. The six-year bonds have a 6 per cent coupon and 99⅝ issue price.

A private placement with equity warrants appeared for Topy Industries, the Japanese steel company. This has a five-year life and indicated 3¾ per cent coupon. Lead manager is Swiss Volksbank.

Turnover improved in the Swiss franc secondary market, but prices were little changed.

The European currency unit market is still in a buoyant mood and a Ecu 50m issue from Primary Industry Bank of Australia (Piba) traded around par. The issue, lead managed by Banque Paribas, has a seven-year life and 9⅝ per cent coupon, with a 100¼ issue price. Fees totalled 1⅞ per cent.

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